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October 28, 2013

Ms. Cynthia Brown, Removal Enforcement Coordinator
Superfund Enforcement Assessment Section (6SF-TE)
U.S. EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

Re: CERCLA 104(e) Information Request to Highland Industrial Park

Dear Ms. Brown:

I represent Highland Industrial Park, Inc. ("Highland"). This letter responds to the referenced EPA Region 6 "CERCLA 104(e) Information Request to Highland Industrial Park" dated September 25, 2013, which Highland received on September 30, 2013. Initially, please note that there is no "James Meeks" employed by Highland. Mr. James Nixon is the Manager of Warehousing and Business Development for Highland.

The Information Request exceeds the authority granted the EPA under Section 104(e)(2) of CERCLA. The first paragraph of the Information Request states:

The U.S. Environmental Protection Agency (EPA) seeks cooperation from Highland Industrial Park in providing information and documents relating to the Explo Systems, Inc. site (Site). Obtained information will aid the EPA in its investigation of the release or threat of release of certain hazardous substances, pollutants or contaminants at his Site.

In an attachment to the Information Request, "Site" is defined as "operations at the business located at 1600 Java Road, Minden, Webster Parish, Louisiana."

Section 104(e)(2) limits EPA's access to information as follows:

(2) Access to information. Any officer, employee, or representative described in paragraph (1) may require any person who has or may have information relevant to any of the following to furnish, upon reasonable notice, information or documents relating to such matter:

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(A) The identification, nature, and quantity of materials which have been or are generated, treated, stored, or disposed of at a vessel or facility or transported to a vessel or facility.

(B) The nature or extent of a release or threatened release of a hazardous substance or pollutant or contaminant at or from a vessel or facility.

(C) Information relating to the ability of a person to pay for or to perform a cleanup.

On October 15, 2013, I wrote George Malone, Assistant Regional Counsel for EPA Region 6 explaining Highland's relationship to Austin Powder Company (Austin) and Explo Systems, Inc. ("Explo"). A copy of that letter is attached to this response as Attachment "1". On October 17, 2013, I spoke with Mr. Malone about this matter. Mr. Malone advised that the Information Request is directed to Highland in connection with Austin's storage of M6 propellant belonging to Explo at buildings owned by Highland which it leases to Austin.

Highland has no responsibility under CERCLA for the "Site." It is not an owner, operator, arranger or transporter. Nor is there any suggestion by EPA that there has been a "release or threat of release of hazardous substances" due to Austin's actions in storing M6 propellant belonging to Explo. Austin is lawfully occupying the buildings it leases from Highland. Austin has given assurances to the EPA that this material is stable.

Thus, no legal basis exists to support EPA's Information Request to Highland. In addition, the Information Request exceeds EPA's statutory authority as it is much broader than authorized by Section 104(e)(2).

Notwithstanding Highland's objections to EPA's Information Request, I offer the following in response.

1. Identify the person(s) answering these questions on behalf of your company and any persons consulted. Identify whom future correspondence should be addressed.

Response: The undersigned answers these questions on behalf of Highland. Gene Hill, President of Highland and James Nixon, Manager of Warehousing and Business Development, were consulted. Future correspondence should be directed to the undersigned with copies to Mr. Hill and Mr. Nixon.

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2. Provide copies of any lease, sub-lease, rental, or other agreements that governs Austin Powder's use of Highland Industrial Park's facilities.

Response: Attached hereto as Attachment "2" are copies of leases for those buildings that Highland understands Austin is using to store M6 propellant under an agreement between Austin and Explo.

3. Describe any inspections or reviews conducted of the space by Highland Industrial Park or its representatives. Provide copies of any reports, documents and/or correspondence documenting any inspections of space occupied by Austin Powder or Explo Systems at Highland Industrial Park.

Response: None.

4. Provide copies of any lease, sub-lease, rental or other agreements between Explo Systems and Highland Industrial Park.

Response: None.

5. Describe Highland Industrial Park's knowledge of the ownership of the M6 propellant (and other explosives), and the storing of M6 propellant (and other explosives) by Austin Powder or Explo Systems at the Highland Industrial Park facility. Please provide documents that provide evidence of the Highland Industrial Park's knowledge of such ownership and storage.

Response: Highland understands the M6 propellant Austin is storing for Explo is owned by Explo. Highland has been advised that Austin intends to either ship this propellant to a consumer in Oklahoma or utilize it in Austin's manufacturing processes.

6. Provide copies of documents in the respondent's possession regarding Austin Powder's intended future use, sale, transfer, delivery, or disposal of M6 propellant (and other explosives) currently located at the Highland Industrial Park.

Response: Attachment "3" is an email from Austin and list of buildings where Austin is storing M6 propellant belonging to Explo. Highland has no other documents responsive to this request.

7. Did appropriate personnel from Highland Industrial Park have knowledge of Federal/State regulations and/or permit requirements concerning the storage of explosive such as the M6 propellant or other explosives? Provide the name and contact information for this/these individual(s).



Ms. Cynthia Brown
October 28, 2013
Page 4

Response: Highland is unable to respond to this question. Highland is not storing M6 propellant for Explo (Austin is). It is unclear what information is being sought.

8. Provide copies of Highland Industrial Park storage permits, including but not limited to any permit providing the authority to store M6 propellant or other explosives at the Site.

Response: As noted above, the "Site" is defined as "operations at the business located at 1600 Java Road, Minden, Webster Parish, Louisiana." Highland has no "storage permits, including but not limited to any permit providing the authority to store M6 propellant or other explosives at the Site".

9. Provide copies of any state and/or federal explosives licenses. Also, copies of any inspections conducted by the state and/or federal regulators along with remedies for any past violations within the last 5 years.

Response: This question is vague. Is it meant to request only such licenses issued to Highland? If so, Highland does possess a federal explosives license issued by the United States Bureau of Alcohol, Tobacco and Firearms ("ATF"). However, Highland is not storing M6 propellant for either Austin or Explo pursuant to its ATF license.

If you have further questions regarding this matter, please do not hesitate to give me a call. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Ledbetter', is written over a horizontal line. Below the signature, the name 'Samuel E. Ledbetter' is printed in a standard font.

SL

Enclosures

cc: George Malone (w/enclosures)
Gene Hill (w/o enclosures)

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WINSLOW DRUMMOND (1933-2005)

October 15, 2013

VIA EMAIL ONLY: Malone.George@EPA.gov

Mr. George Malone, Assistant Regional Counsel
Office of Regional Counsel (6RC-S)
U.S. EPA Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

Re: Letter dated September 25, 2013 from Ben Banipal of EPA Region 6 to Highland
Industrial Park

Dear Mr. Malone:

I represent Highland Industrial Park, Inc. (Highland). Highland has provided me with a letter dated September 25, 2013, that purports to be an information request under section 104(e) of CERCLA. I left you a voice mail message shortly after receiving this letter but I assume you have been furloughed due to events in Washington D.C.

Highland owns property that consists of approximately 18,000 acres of land and five million six hundred (5,600,000) square feet of building space. Highland leases buildings to various companies who are engaged in lawful activities, including the manufacture and storage of various explosives.

Austin Powder Company (Austin) leases approximately 295,000 square feet from Highland. Highland's relationship with Austin as a tenant of the Highland Industrial Park goes back several decades. Highland has no involvement in Austin's business beyond the landlord/tenant relationship.

The buildings Austin leases from Highland include explosive storage magazines that are approximately 2,100 square feet each. We understand Austin is currently utilizing approximately thirty (30) of the storage magazines it leases from Highland to store M6 propellant for Explo Systems, Inc. (Explo) under an agreement between Austin and Explo.

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Highland is not a party to any agreement between Austin and Explo. Highland has no relationship with Explo. Explo does not lease any buildings from Highland. Highland is not storing propellant for Explo.

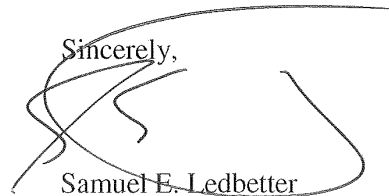
Under Arkansas law, a lease gives the lessee exclusive possession of the leased premises against the entire world, including the owner of the leased premises. *Harbottle v. Central Coal & Coke Co.*, 134 Ark. 254, 203 S.W. 1044 (1918). So long as Austin is in compliance with the terms and conditions of its leases with Highland, Highland has no right to enter the premises it leases to Austin. In addition, Highland has no right to attempt to control or intervene in the activities or decisions of its tenants. Similarly, Highland, as Austin's landlord, may not dictate additional terms or conditions not contained in the lease agreements between Highland and Austin. To Highland's knowledge, Austin is not breaching its leases with Highland.

EPA's letter to Highland (as well as a similar letter EPA sent to Austin) suggests that Highland is either storing M6 propellant for Explo or that Highland has some involvement in Austin's business beyond being its landlord. Neither is true. Again, Highland has no relationship or agreement with Explo and Highland's relationship with Austin is one of landlord/tenant.

Accordingly, Highland respectfully requests that EPA either withdraw its information request to Highland or else narrow it to obtaining copies of the leases that form the basis for Austin's right to exclusive possession to the buildings Austin leases from Highland.

Please contact me at your earliest convenience to discuss this matter. Thank you.

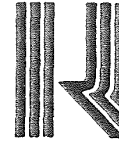
Sincerely,



Samuel E. Ledbetter

SL

cc: Gene Hill



Highland Industrial Park, Inc.

23 January 2009

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT5

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of February, 2009. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or

replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of

subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire, explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation

or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Sincerely,

HIGHLAND INDUSTRIAL PARK, INC.


Gene Hill
President

GH:jg

APPROVED AND AGREED TO THIS 27th DAY OF January, 2009.

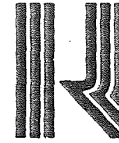
BY: 
AUSTIN POWDER COMPANY

HIGHLAND INDUSTRIAL PARK, INC.

FEB 05 2009

REIV

GH



Highland Industrial Park, Inc.

24 August 2004

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT8

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of September, 2004, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.



17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.

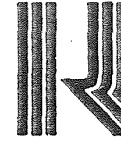

Gene Hill
President 

GH:tjs

APPROVED AND AGREED TO THIS 1st DAY OF September, 2004.

BY: 
AUSTIN POWDER COMPANY

GH



Highland Industrial Park, Inc.

24 August 2004

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT10

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of September, 2004, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.


17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

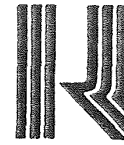
HIGHLAND INDUSTRIAL PARK, INC.


Gene Hill
President (P)

GH:tjs

APPROVED AND AGREED TO THIS 1st DAY OF September, 2004.

BY: 
AUSTIN POWDER COMPANY



Highland Industrial Park, Inc.

15 November 2007

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT11

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 15th day of November, 2007. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.
2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of THREE HUNDRED TWENTY FIVE AND NO/100 DOLLARS (\$325.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.
3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.
4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to

Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to

Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire, explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or

in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and

requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be

added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Sincerely,

HIGHLAND INDUSTRIAL PARK, INC.



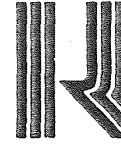
Gene Hill
President

GH:jg

APPROVED AND AGREED TO THIS 19th DAY OF November, 2007.

BY:


AUSTIN POWDER COMPANY



Highland Industrial Park, Inc.

24 August 2004

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT13

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of September, 2004, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.



17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Gene Hill
President 

GH:tjs

APPROVED AND AGREED TO THIS 15~~th~~ DAY OF September, 2004.

BY: 
AUSTIN POWDER COMPANY



Highland Industrial Park, Inc.

24 August 2004

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT14

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of September, 2004, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.

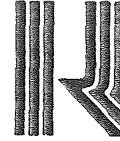

Gene Hill
President

GH:tjs

APPROVED AND AGREED TO THIS 15th DAY OF September, 2004.

BY: 
AUSTIN POWDER COMPANY

GENE HILL
President



Highland Industrial Park, Inc.

3 February 2009

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT16

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of March, 2009. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.
2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.
3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.
4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

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replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of

subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire, explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation

or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Sincerely,

HIGHLAND INDUSTRIAL PARK, INC.

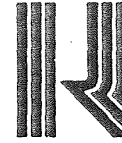


Gene Hill
President

GH:jg

APPROVED AND AGREED TO THIS 6th DAY OF February, 2009.

BY: Larry A. King
AUSTIN POWDER COMPANY



Highland Industrial Park, Inc.

24 August 2004

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT17

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of September, 2004, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

-
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.



17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Gene Hill
President 

GH:tjs

APPROVED AND AGREED TO THIS 1st DAY OF September, 2004.

BY: 
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT21

Dear Mr. King:


This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

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damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Roy E. Ledbetter
President (P)

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: 
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT25

Dear Mr. King:


This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

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damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.


17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.

Roy E. Ledbetter
Roy E. Ledbetter
President 

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: *Lamy J King*
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT26

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

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damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

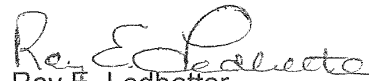

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Roy E. Ledbetter
President 

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: 
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT27

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

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damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

-
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.



17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Roy E. Ledbetter
President 

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: 
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT28

Dear Mr. King:

This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

A HIGHLAND COMPANY

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

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damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

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- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.


Roy E. Ledbetter
President 

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: 
AUSTIN POWDER COMPANY

ROY E. LEDBETTER
President



Highland Industrial Park, Inc.

26 November 2001

Mr. Larry King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Month-to-Month Lease Agreement for Building 17AT30

Dear Mr. King:


This letter evidences the agreement between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, as "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, authorized to do business in the State of Arkansas, as "Lessee," to lease the above captioned building situated in the Highland Industrial Park in Calhoun County, Arkansas, (hereinafter referred to as the "Demised Premises"), upon the following terms and conditions, to-wit:

1. This lease shall be on a month-to-month basis, commencing on the 1st day of January, 2002, and may be terminated by either party on the last day of any month by giving written notice to the other party not less than thirty days in advance of such termination. Lessee may not assign this Lease or sublet the Demised Premises or any part thereof without the prior written consent of Lessor.

2. As rental for said Demised Premises, Lessee shall pay to Lessor on or before the first day of each month, in advance, rental in the amount of TWO HUNDRED TEN AND NO/100 DOLLARS (\$210.00) for each month when building is utilized for storage of Lessee's product on any day of said month. All payments to be made to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71711-1208.

3. Lessee shall pay all taxes upon the personal property of Lessee, which shall be situated upon the Demised Premises, and shall pay for all utilities, which Lessee may have installed.

4. Lessee will take good care of said Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such building repairs or replacements as may be necessary by reason of any

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

023967

damage or destruction resulting from Lessee's occupancy and use of the Demised Premises and operations on, in, and about the same time. All such repairs or replacements shall be performed in a good and workmanlike manner and according to Lessor's specifications and all building codes, laws and regulations applicable to the Demised Premises. Lessee shall promptly, but in any event before any lien may be filed, pay any contractor, laborer or materials supplier which performs services or provides materials in connection with any such repairs or replacements.

5. Lessee acknowledges that it has inspected the Demised Premises and accepts the Demised Premises in its present condition. Lessor shall not be liable for any damage or injuries caused by any defect in the Demised Premises, latent or patent, at the time the premises are occupied by Lessee, or which may thereafter develop in said premises unless such conditions are caused by the gross negligence or willful misconduct of the Lessor, its agents, servants, or employees.

6. At all times after taking possession of the Demised Premises, Lessee shall maintain at its sole cost and expense Commercial General Liability Insurance with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best Rating of A VII or better naming itself as the insured and Lessor as additional insured, for the protection, indemnification, and defense of itself and Lessor against any and all liability claims, demands, and causes of action that may be asserted against it arising from the use, maintenance, and operation of the Demised Premises during the original term of any additional term of this lease. Lessee shall further have the policy endorsed to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Lessee obligates itself to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessee, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation, reduction of, or material change in such insurance. The policy limits shall not be less than Two Million Dollars (\$2,000,000) for bodily injury or death or property damage, and not less than Five Million Dollars (\$5,000,000) as umbrella liability.

Lessee shall also carry at its sole cost and expense at all times after taking possession of the Demised Premises insurance in a form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas and with an A. M. Best rating of A VII or better providing the following:

- (a) Comprehensive Automobile Liability insurance with limits of not less than \$1,000,000 combined for bodily injury and property damage liability.
- (b) Workers' Compensation -- Statutory Benefits for the State of Arkansas.

Lessee shall cause to have the Comprehensive Automobile Liability policy endorsed to include Lessor as an additional insured and both the Comprehensive Automobile Liability policy and Workers' Compensation policy to provide a full waiver of any rights of subrogation from the insurance company against the Lessor. Prior to occupying or using the Demised Premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said Automobile Liability and Workers' Compensation insurance are in effect and the Lessor will be given thirty (30) days written notice prior to cancellation, reduction of, or material changes in such insurance.

At all times during the primary term, or any additional term, of the lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement value of the buildings leased by Lessee herein.

7. Lessee covenants, represents and warrants as follows:

(a) Any property or material stored or otherwise located on the Demised Premises by Lessee (the "Material") is stable, compatible and safe for storage. Specifically, and without limiting the foregoing, such Material has not been exposed to conditions which might render it unstable or prone to detonation, discharge, explosion or fire, is properly enclosed in any container required by applicable law or regulation (and such container if undamaged and intact), there neither is nor has been any leakage of solids, gases or liquids, and Lessee has specifically determined that the Demised Premises are suitable for the safe storage of such Material.

(b) Lessee will periodically, at least annually, on or before anniversary date of this lease (but in no event less frequently than required by applicable law, rule or regulation) examine and inspect the Material. If any of the Material is found to be unstable, incompatible or unsafe, or if the representations made in paragraph 7(a) appear to no longer be true concerning the Material, Lessee shall immediately notify Lessor and shall remove the Material from the Demised Premises as soon as reasonably possible. Lessor may (but shall not be obligated to) inspect the Demised Premises and the Material at any time, without notice to Lessee, and Lessee shall provide Lessor, on request, with such keys, codes or other information as may be necessary to gain full access to the Demised Premises for the purpose of making such an inspection.

(c) Lessee's use of the Demised Premises and its use or storage of the Material on or about the Demised Premises shall be conducted in full and complete compliance with all applicable laws, regulations and safety standards (including voluntary standards generally observed in the industry in which Lessee is engaged and contractually imposed standards under any contract to which the Material is subject) and, in addition to such compliance, Lessee shall take all other steps reasonably necessary to prevent any fire,

explosion, release, leakage or other event which may cause any damage or injury to persons or property.

8. In the event Lessee fails to fully, faithfully and promptly perform each covenant, agreement or obligation imposed upon Lessee under this Lease, in the event any representation or warranty under this Lease shall be untrue or inaccurate (in whole or in part) or, through a change in circumstances, shall no longer be true and accurate (in whole or in part), or if Lessor determines in its sole discretion that the Material or the Lessee's use of the Premises poses an unreasonable risk of injury or damage to the Demised Premises or to Lessor, its directors, officers, employees, agents, representatives, other lessees or the public at large, Lessor may immediately and without prior notice terminate this Lease. Upon such termination Lessee shall immediately remove the Material from the Demised Premises. In the event Lessee fails to immediately remove the Material Lessor may (but shall not be obligated to), without liability of any kind to Lessee, remove the Material or cause the Material to be removed and all costs and expenses incurred by Lessor in removing the Material shall be charged to Lessee as additional rent payable under this Lease.

9. Lessee agrees to indemnify and hold harmless Lessor and its successors, assigns, directors, officers, employees, agents and representatives from and against any claim, fine, remediation cost, liability, cause of action or loss (including attorney's fees for counsel satisfactory to Lessor, and all other costs and expenses of defense) arising from or related to any of the following:

- (1) failure of the Lessee to fully and properly perform any condition, agreement, covenant or obligation imposed on it under this Lease;
- (2) falsity or inaccuracy (in whole or in part) of any representation or warranty either contained herein or otherwise made by Lessee to Lessor;
- (3) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessee's used of the Demised Premises or any material stored by Lessee on the Demised Premises;
- (4) personal injury or death, property damage, contamination, release, leakage, leaching, contamination or other damage or injury arising from or related to Lessor's performance of any of Lessee's duties or obligations under this Lease;
- (5) any condition of the Demised Premises;

-
- (6) Lessee's violation or alleged violation of, or failure or alleged failure to comply with, any law, rule, regulation or ordinance of any federal, state, county or local government or regulatory authority of any kind, which violation or failure either directly or indirectly arises from relates to, or is a result of, Lessee's occupancy or use of the Demised Premises.

10. Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations, and requirements of any federal, state, county, or local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised Premises or for the correction, prevention, and abatement of nuisances, violations, and other grievances, in, upon, or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the sole and exclusive fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders, and regulations respecting fire, fire hazards, sanitation, and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the Lessee's use of the Demised Premises.

11. Should Lessee fail to pay any installment of rent as the same becomes due and payable, or fail to comply with any other of its agreements, covenants and obligations hereunder, Lessor may give Lessee written notice of such default and should Lessee fail to remedy such default within ten days thereafter, Lessor may at its discretion declare Lessee's rights under this lease forfeited and terminated, whereupon Lessor shall have the right to re-enter and take possession of the lease premises, with or without process of law, and without waiving any remedies it may have for the collection of rents or otherwise.

12. At the termination of this lease, Lessee shall promptly remove all Lessee's products and personal property, and shall remove all refuse and trash from the Demised Premises, shall leave same in a neat and clean condition, and shall surrender the Demised Premises to Lessor in as good condition and state of repair as when received.

13. Any inconsistency or ambiguity between this Lease and any other agreement between Lessor and Lessee shall be resolved by reference to the terms of this Lease, which shall control over any inconsistent provision of any other agreement.

14. This Lease shall be controlled, interpreted and enforced according to the laws of the State of Arkansas.

15. The indemnity obligations of Lessee as contained in this Agreement are continuing and shall survive the termination or expiration of this Lease. As between Lessor

and Lessee, Lessee specifically waives the defense of the statute of limitations as to such indemnity obligations.

16. In the event Lessee shall fail to keep or perform any of its obligations under this Lease, the Lessor may (but shall not be obligated to do so), upon the continuance of such failure for thirty (30) days after written notice, and without waiving or releasing the Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid and all necessary incidental costs and expenses incurred in making such payment or performing such obligation shall be deemed additional rent and shall be paid on demand, or at Lessor's option may be added to any installment of rent thereafter falling due, and, if not so paid, the Lessor shall have the same rights and remedies as for a default in the payment of rent.

17. Lessee shall be liable to Lessor for any attorney's fees incurred by Lessor in connection with or as a consequence of any breach of this Lease, whether threatened or actual, or by reason of any other failure of Lessee to fully comply with the terms of this Lease.

18. In the event Lessee remains in possession of the herein demised premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and in addition to any other remedies available to Lessor, Lessee shall be liable to Lessor for damages of no less than twice the amount of the monthly rental as stated in Paragraph 2, hereof.

If the foregoing correctly sets out the agreement between us, please evidence your approval and acceptance thereof by signing the attached copy of this letter in the space provided thereon, and return such signed copy to us promptly.

Very truly yours,

HIGHLAND INDUSTRIAL PARK, INC.

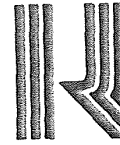
Roy E. Ledbetter
Roy E. Ledbetter
President

REL:tjs

APPROVED AND AGREED TO THIS 11 DAY OF December, 2001.

BY: *Larry J. King*
AUSTIN POWDER COMPANY

GENE HILL
President



Highland Industrial Park, Inc.

30 May 2012

Mr. Larry J. King
Austin Powder Company
25800 Science Park Drive
Cleveland, Ohio 44122

Re: Lease Agreement Renewal between Highland Industrial Park, Inc. and Austin Powder Company for Forty-four (44) 6LC & 7LC Buildings

Dear Mr. King:

The above captioned lease agreement will expire the 31st day of August 2007. As per Article 29 of the lease agreement, you have the option to renew for additional successive periods of five (5) years each time. The renewal will be effective 1 September 2012 through 31 August 2017. The monthly rental for this option will be \$15,555.00, an increase of \$950.06 per month.

CPI-U Annual Average 2011	224.939	
CPI-U Annual Average 1996	<u>156.900</u>	<u>68.039</u>
	68.039	156.900% = 43.365%

43.365 x 50% = 21.682%

\$12,783.32 x 121.682 = \$15,555.00

If you are in agreement with the above, please sign in the space provided and return one (1) executed copy to us at your earliest convenience.

Sincerely,

HIGHLAND INDUSTRIAL PARK, INC.


Gene Hill
President

GH:jg

APPROVED AND ACCEPTED THIS 4th DAY OF June, 2012.

BY: 
AUSTIN POWDER COMPANY

A HIGHLAND COMPANY 

870 574-0010 Box 3108 East Camden, Arkansas 71711-1208 FAX 870 574-1828

023973

LEASE AMENDMENT NUMBER SIX

THIS AGREEMENT, made and entered into this 15th day of October , 1999, by and between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, whose address is Post Office Box 3108, East Camden, Arkansas 71711-1208, hereinafter called "Lessor," and AUSTIN POWDER COMPANY, an Ohio corporation, whose address is 25800 Science Park Drive, Cleveland, Ohio 44122, hereinafter called "Lessee,"

WITNESSETH :

WHEREAS, effective as of the 1st day of September, 1992, a certain lease agreement was executed by Lessor and Lessee covering land and premises therein described, situated in Calhoun County, Arkansas. Said lease was amended five (5) times. Said parties now desire that said lease agreement shall be amended and modified for the sixth time as hereinafter set out.

NOW, THEREFORE, for and in consideration of the premises, and of the mutual covenants and agreements herein contained, Lessor and Lessee do hereby mutually agree that said lease agreement shall be and the same hereby is modified and amended as follows, effective as of the 15th day of October, 1999.

Article 1 is deleted in its entirety and shall have substituted and inserted in its place the following:

1. DEMISED PREMISES. Subject to the terms and provisions hereinafter set forth, and in consideration of the covenants and agreements herein contained to be kept and performed by Lessor and Lessee, and of the rent to be paid by Lessee, Lessor does hereby lease, demise, and let unto Lessee, and Lessee does hereby hire and take from Lessor, for the uses and purposes hereinafter set out, the following described land and premises in Calhoun County, Arkansas, together with all buildings, structures, and other improvements thereon, to-wit: Buildings 6LC1, 6LC2, 6LC6, 6LC7, 6LC8, 6LC9, 6LC10, 6LC12, 6LC13, 6LC14, 6LC16, 6LC18, 6LC21, 6LC22, 6LC26, 6LC27, 6LC28, 6LC30, 6LC33, 6LC44 located in Section 11, Township 13 South, Range 15 West, and Buildings, 7LC1, 7LC2, 7LC3, 7LC4, 7LC5, 7LC6, 7LC7, 7LC8, 7LC9, 7LC10, 7LC11, 7LC12, 7LC13, 7LC14, 7LC15, 7LC16, 7LC17, 7LC18, 7LC19, 7LC20, 7LC21, 7LC22, 7LC23, and

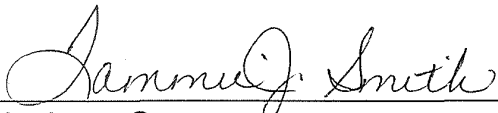
7LC24 located in Section 14, Township 13 South, Range 15 West, Fifth Principal Meridian, Calhoun County, Arkansas, which said buildings are shown on the plat marked Exhibit "A" which is attached herein for illustration.

Lessee is hereby granted the right of ingress and egress, to the extent of Lessor's rights, over all roads, streets, and ways, whether public or private, bounding or serving said Demised Premises.

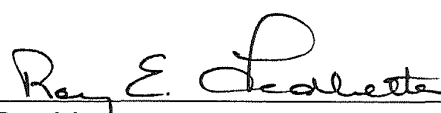
Said original lease agreement and amendment is hereby ratified and confirmed, and shall continue in full force and effect in accordance with all terms, provisions and conditions therein contained.

IN WITNESS WHEREOF, this instrument is executed in duplicate originals as of the day and year first above written.

ATTEST:


Assistant Secretary

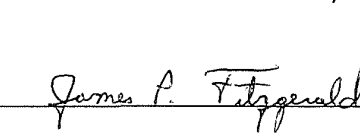
HIGHLAND INDUSTRIAL PARK, INC., LESSOR


President

ATTEST:


Assistant Secretary

AUSTIN POWDER COMPANY, LESSEE


President

ACKNOWLEDGMENT

STATE OF ARKANSAS }

COUNTY OF CALHOUN }

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named Roy E. Ledbetter and Tammie J. Smith, being the President and Assistant Secretary, respectively, of HIGHLAND INDUSTRIAL PARK, INC., a corporation, and who had been designated by said corporation to execute the above instrument, to me personally well known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal as such Notary Public on this 18th day of October, 1999.

[Signature]
Notary Public

My Commission Expires:

May 2, 2005

ACKNOWLEDGMENT

STATE OF OHIO }

COUNTY OF CUYAHOGA }

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named JAMES P. FITZGERALD and _____, being the PROPERTIES MGR. and _____ respectively, of AUSTIN POWDER COMPANY, an Ohio corporation, and who had been designated by said corporation to execute the above instrument, to me personally well known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal as such Notary Public on this 21st day of OCTOBER 1999.

[Signature]
Notary Public
ROSEMARIE LIZZET
Notary Public, State of Ohio
Recorded in Cuyahoga Cty.
My Comm. Expires 10-22-00

My Commission Expires:

October 22, 2000

LEASE AGREEMENT

BETWEEN HIGHLAND INDUSTRIAL PARK, INC., LESSOR

AND

AUSTIN POWDER COMPANY, LESSEE

DATED: SEPTEMBER 1, 1992

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LEASE AGREEMENT

THE STATE OF ARKANSAS)

COUNTY OF CALHOUN)

THIS AGREEMENT, made and entered into this 1st day of September, 1992, by and between HIGHLAND INDUSTRIAL PARK, INC., an Arkansas corporation, whose address is Post Office Box 3108, East Camden, Arkansas 71701, hereinafter called "Lessor", and AUSTIN POWDER COMPANY, an Ohio corporation, duly authorized to do business in the State of Arkansas, whose address is 25800 Science Park Drive, Cleveland, Ohio 44122, hereinafter called "Lessee",

W I T N E S S E T H :

1. DEMISED PREMISES. Subject to the terms and provisions hereinafter set forth, and in consideration of the covenants and agreements herein contained to be kept and performed by Lessor and Lessee, and of the rent to be paid by Lessee, Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby hire and take from Lessor, for the uses and purposes hereinafter set out, the following described land and premises in Calhoun County, Arkansas, together with all buildings, structures and other improvements thereon, to-wit: Buildings 7-LC-1, 7-LC-2, 7-LC-3, 7-LC-4, 7-LC-5, 7-LC-6, 7-LC-7, 7-LC-8, 7-LC-9, 7-LC-10, 7-LC-11, 7-LC-12, 7-LC-13, 7-LC-14, 7-LC-15, 7-LC-16, 7-LC-17, 7-LC-18, 7-LC-19, 7-LC-20, 7-LC-21, 7-LC-22, 7-LC-23, 7-LC-24, 7-LC-25, 7-LC-26, 7-LC-27, 7-LC-28, 7-LC-29 and 7-LC-30 located in Section 14, Township 13 South, Range 15 West, Fifth Principal Meridian, Calhoun County, Arkansas, which said buildings are shown on the plat marked Exhibit "A" which is attached herein for illustration.

Lessee is hereby granted the right of ingress and egress, to the extent of Lessor's rights, over all roads, streets and ways, whether public or private, bounding or serving said Demised Premises.

2. TERM. The primary term of this lease shall be for five years beginning on the 1st day of September, 1992 and ending on the 31st day of August, 1997.

3. RENTAL. As rental for said Demised Premises during the primary term, Lessee covenants and agrees to pay to Lessor, on or before the first day of each month, in advance, rental in the amount of EIGHT THOUSAND SEVEN HUNDRED FIFTEEN AND 90/100 DOLLARS (\$8715.90) per month.

4. UTILITY CHARGES. Lessee agrees to pay promptly for all utility services, including telephone, water, sewerage, fire protection, gas and electric current, used or consumed by Lessee during the term hereof, commencing as soon as Lessee actually occupies the Demised Premises. Such payment shall be made to the furnisher of such utility services.

5. PAYMENTS. All rental payments and other payments to be made to Lessor by Lessee hereunder shall be paid to Lessor at its offices at Post Office Box 3108, East Camden, Arkansas 71701.

6. USE OF DEMISED PREMISES. Lessee intends to utilize the Demised Premises solely for its explosive manufacturing, handling and storage of explosives, blasting supplies and similar commodities, and storage operations, and Lessor consents to any such use. Lessee agrees that it will not use, or suffer or permit any person to use, the Demised Premises or any portion thereof for any purpose in violation of the laws of the United States, the State of Arkansas or any other governmental subdivision having jurisdiction, nor suffer or permit nuisances upon

said Demised Premises. None of the uses intended by Lessee, as stated herein, shall be deemed to be a nuisance.

7. MAINTENANCE BY LESSEE. Lessee will, at its own cost and expense, keep the Demised Premises in a neat, clean and sanitary condition, will suffer no waste or injury thereto, will take good care of said Demised Premises including maintenance of roads within the Demised Premises with the same degree of care that a reasonable person would use in taking care of his own property, and will make such repairs to the buildings and other improvements, or make such replacements thereof, as may be necessary by reason of any damage or destruction resulting from any willful act or negligence of Lessee or any fire or explosion resulting from Lessee's operations or Lessee's use of the Demised Premises, in which all proceeds of fire and extended coverage insurance provided for in Article 17, Insurance, hereof shall be applied to the cost of such restoration (but Lessee shall not be obligated to make repairs of the type listed in Article 8, Maintenance By Lessor, below).

(b) In the event any buildings and improvements covered by this lease are damaged or destroyed to the extent of twenty-five percent (25%) or more of the aggregate replacement cost of all buildings and improvements covered hereby while this lease is in force and effect, and in lieu of repairing or replacing same, Lessee may elect to terminate this lease by paying Lessor an amount equal to that portion of such repair or replacement for which Lessee is responsible under paragraph (a) of this Article 7, Maintenance By Lessee.

8. MAINTENANCE BY LESSOR. (a) Lessor shall not be responsible for any maintenance of the Demised Premises,

and any and all maintenance required on the Demised Premises shall be done at the cost and expense of the Lessee.

(b) In the event the buildings and improvements covered by this lease are damaged or destroyed while this lease is in force and effect, and Lessor is responsible for the repair or replacement thereof under the provisions of paragraph (a) of this Article 8, Maintenance By Lessor, Lessor shall make the necessary repairs and replacements as promptly as possible, and all proceeds of fire and extended coverage insurance provided for in Article 17, Insurance, hereof shall be applied to the cost of such repairs and replacements, and until same are completed, Lessee shall be entitled to a reduction in rent proportioned to the extent to which the damage or destruction shall interfere with the business carried on by Lessee on the Demised Premises, provided however, that if such destruction or damage amounts to fifty percent (50%) or more of the aggregate replacement cost of all the buildings and improvements covered hereby, then Lessor may elect not to repair or replace same, in which this lease may be canceled and terminated at Lessee's option by giving written notice to Lessor within thirty (30) days after the date on which such damage or destruction occurred, and all proceeds of fire and extended coverage insurance provided for in Article 17, Insurance, hereof shall thereupon be paid to and become the property of Lessor.

(c) In the event of damage to the roofs, exterior walls and foundations of the improvements which Lessee is required by Article 17, Insurance, to cover by insurance, and in the event such insurance contains "deductible" provisions, then Lessee shall be liable to Lessor for the amount of the deductible which it shall promptly pay Lessor.

9. ACCEPTANCE OF DEMISED PREMISES. From Lessee's own inspection and investigation, Lessee is thoroughly familiar with said premises, their condition, state of repair and everything connected therewith, and, subject to Lessor's performance of the work described in Section 8(b) above, Lessee accepts said premises in the condition thereof at the time of execution of this lease. No representations of any kind not herein contained concerning said premises or any part thereof have been made to Lessee, either before or at the time of execution of this Lease.

10. LIMITATIONS ON LIABILITY OF LESSOR. Lessor shall not be liable to Lessee for any damage or injuries caused by any defect (other than latent defects) in the Demised Premises at the time possession of the Demised Premises is given to Lessee, or which may thereafter develop in said Demised Premises unless caused by negligent acts or omissions of Lessor, its agents, servants or employees.

11. BUILDING ALTERATIONS. Without the prior written consent of Lessor, Lessee shall not make any alterations or additional improvements on or within Lessor's buildings on said Demised Premises. Even if Lessor consents thereto, all such alterations, additions and improvements which are permanently attached to such buildings shall become the property of Lessor and shall remain upon and be surrendered with the Demised Premises at the termination of this lease. All buildings and improvements erected by Lessee, and all manufacturing or trade fixtures, apparatus, machinery and equipment of any kind installed by Lessee, whether or not for use in connection with the operation of the business of Lessee, except utility lines, foundations, parking lots and roads, may be removed by Lessee at the expiration or termination of this lease or any renewal or extension thereof, provided that however, Lessee, at its

own cost and expense, shall repair any injury to the Demised Premises resulting from such removal. All property placed on the Demised Premises, other than utility lines, foundations, parking lots and roads, shall at all times be deemed the personal property of Lessee and shall not be deemed to have formed a part of the Demised Premises, but if such property be not removed promptly from the Demised Premises as above provided same shall become the property of Lessor.

12. SIGNS. Lessee shall not paint or permit anyone to paint any advertising signs or other signs, symbols or lettering of any kind on the walls or roofs of Lessor's buildings without the prior written consent of Lessor. Lessee shall not affix or attach any advertising signs or other signs on the Demised Premises without the prior written consent of Lessor, which consent shall not be withheld unreasonably.

13. GOVERNMENTAL AUTHORITIES. (a) Lessor represents that it has not received from any federal, state, county or municipal authority or from any Board of Fire Underwriters or body performing the function thereof, any notice of the violation of any statute, law, ordinance, regulation or order affecting said Demised Premises or requiring any investigation, remediation, structural change, repair, alteration or construction, and that Lessor has no knowledge of any such violation or requirement.

(b) Lessee covenants and agrees that it will promptly execute and comply, at its own cost and expense, with all statutes, ordinances, rules, orders, regulations and requirements of any federal, state, county and local government and of any and all departments or bureaus thereof, applicable to the use or occupancy of the Demised

Premises or for the correction, prevention and abatement of nuisances, violations and other grievances in, upon or connected with Lessee's use of the Demised Premises during the term of this lease, to the extent not the fault or responsibility of Lessor or its directors, officers, employees, agents, representatives, or other tenants, and Lessee also shall promptly comply with and execute all rules, orders and regulations respecting fire, fire hazards, sanitation and pollution; except, however, that Lessee shall not be required to make structural repairs or alterations or construction, or investigate or remediate any condition on or emanating from the Demised Premises, the necessity of which does not arise from the fault or negligence of Lessee or a special use which Lessee makes of the Demised Premises.

14. LICENSES AND PERMITS. Lessee shall obtain, at its own cost and expense, any and all necessary licenses, consents and permits to enable Lessee to occupy and use the Demised Premises for the purposes specified herein; provided, however, that if at any time during the term of this lease Lessee shall in any manner be restricted or prevented from using the Demised Premises for such purposes by reason of inability despite Lessee's best efforts to obtain said necessary licenses, consents or permits, or by reason of any valid use restriction, law, ordinance, injunction, regulation or order of any properly constituted governmental authority having jurisdiction, or by proceedings to enforce same, this lease may thereupon be terminated by Lessee by giving Lessor thirty (30) days written notice of its intention so to terminate, and paying to Lessor of all rents due hereunder up to the expiration of said thirty (30) day period. From and after the date of such termination, Lessee shall be relieved of all

obligations and liabilities hereunder except those accrued prior to the date of such termination.

15. ACCESS AND INSPECTION. Lessor shall have the right to enter upon the Demised Premises for the purpose of controlling forest fires and inspecting or performing maintenance work or making repairs in accordance with the provisions hereof, provided that, except in the case of forest fires, prior notice shall be given to Lessee and entry shall be during reasonable business hours.

16. INDEMNITY BY LESSEE. Except as otherwise provided herein, during the term hereof (including any extensions or renewals), Lessee shall be responsible for, and agrees to fully defend, indemnify and hold Lessor safe and harmless from, any and all losses, damages, demands, claims, lawsuits, (including regulatory actions, fines or penalties), liabilities, causes of action and expenses, (including, without limitation, remediation costs and reasonable attorney's and paralegal fees and costs) by reason of (a) any breach, violation or nonperformance of any condition, covenant, or agreement contained herein, (b) injury to or death of persons, or damage to or destruction or loss of property, to the extent caused by or resulting from (i) Lessee's occupancy and use of, and operations on, in and about the Demised Premises, (ii) Lessee's negligent use of public or private roadways traversing other lands owned by Lessor adjacent to or in the vicinity of the Demised Premises, including the use of roadways for ingress and egress to and from the Demised Premises, and (iii) the transporting, moving or hauling of ordnance devices or explosives or other products manufactured or assembled by Lessee, or under the control of the Lessee or the components, parts or ingredients thereof, to, from or between the Demised Premises and

storage facilities or other points located on lands owned by Lessor, the intention being that Lessee shall be fully responsible for such products manufactured or assembled by Lessee, or under the control of the Lessee or being delivered to Lessee by third parties, and the components, parts or ingredients thereof at any and all times while same are on any lands and premises owned by Lessor, including railway sidings and trackage on Lessor's land and loading facilities appurtenant thereto. However, Lessee in no event shall have any obligation hereunder with respect to injury, death, damage or loss caused by Lessor, its agents, servants, or employees.

17. INSURANCE. At all times after taking possession of the premises, Lessee shall carry at its sole cost and expense, "comprehensive general liability insurance" with an insurance company authorized to do business in the State of Arkansas naming itself and Lessor as co-insured for the protection and indemnification and defense of itself and Lessor against any and all liability claims, demands and causes of action that may be asserted against it or Lessor or arising from the use, maintenance and operation of the premises during the term or any additional term of this lease; and Lessee obligates itself to have the company or agency issuing such policy certified to Lessor as to the policy and its coverage of Lessor, as well as the policy expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation or reduction thereof. The policy limits shall not be less than FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) for bodily injury or death and not less than ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) for property damages and not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) as umbrella liability.

Lessee shall also carry at his sole cost and expense at all times after taking possession of the premises insurance in form subject to approval of Lessor with an insurance company authorized to do business in the State of Arkansas providing the following:

(a) Comprehensive automobile liability insurance with limits of not less than the following:

(i) Bodily injury, \$250,000.00 for each person and \$500,000.00 for each accident.

(ii) Property damages, \$100,000.00 for each accident.

(b) Workman's compensation: Statutory

Prior to occupying or using the leased premises, Lessee shall furnish certificates from its insurance carriers to Lessor showing that said automobile liability, workman's compensation insurance are in effect and that Lessor will be given thirty (30) days written notice prior to cancellation or reduction of or material changes in such insurance.

At all times during the primary term, or any additional term, of the Lease, Lessee shall carry at its sole cost and expense with an insurance company authorized to do business in the State of Arkansas, "all risk replacement cost insurance coverage" in an amount not less than one hundred percent (100%) of the replacement cost value at the time of loss of the buildings and improvements on the leased premises, including, but not by way of limitation insurance coverage of the perils of fire, lightning, windstorm (including hurricanes), hail, explosions, riot (including all civil commotion), smoke, aircraft or land vehicle damage, vandalism, water leakage from pipes, leakage of fire protective equipment, and all other perils, which

shall name Lessor as an additional insured; and Lessee obligates itself to have the company or agency issuing such a policy certified to Lessor as to the policy and its coverage of Lessor, as well as its expiration date, and agree to give at least thirty (30) days written notice to Lessor prior to cancellation or reduction of or any material changes in such policy.

18. MUTUAL 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, on account of loss or damage occasioned to such waiving party of its property or the property of others under its control caused by fire or any of the extended coverage risks described above 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 under this lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this lease.

19. ENVIRONMENTAL MATTERS.

19.1 HAZARDOUS DISCHARGES OR ENVIRONMENTAL COMPLAINTS.

(a) Lessor and Lessee shall notify each other promptly of any nonroutine or unpermitted release to the Demised Premises of any Hazardous Substance [as that term is defined in 42 U.S.C. Section 9601(14)] and any petroleum and petroleum by-products whether or not defined as Hazardous Substances, or of any nonroutine or unpermitted release of any Hazardous Substance that may migrate to the Demised Premises from other property owned by Lessor, and of any complaints alleging either, but only if applicable regulations require that such release or alleged release

be reported to a federal, state, or local agency. Lessor and Lessee also shall provide to each other copies of correspondence or other written communications with any federal, state or local agency concerning any such matters, provided that such correspondence does not contain confidential commercial information and is not privileged.

(b) If Lessee fails to comply with any final, unappealable order of any governmental agency requiring it to remediate any spill, release, or discharge of any Hazardous Substance that is caused by Lessee's activities or operations on the Demised Premises (a "Hazardous Discharge"), Lessor shall have the option, but shall not be obligated, to exercise any of its rights as provided in Article 25, Remedies Upon Default of this Lease and may enter onto the Demised Premises and take any action it deems necessary or advisable to remediate any Hazardous Discharge. All costs and expense, including reasonable attorney's and paralegal fees, incurred by Lessor in the exercise of any such rights shall be deemed to be additional rent hereunder and shall be payable to Lessor upon demand, if attributable to Lessee's activities or operations.

19.2 LESSOR'S RIGHTS. At any time upon request of Lessor, during normal business hours and after giving Lessee twenty-four (24) hours prior written notice, Lessor shall have the right to inspect the Demised Premises and to examine, audit, copy, or make extracts from, any and all documents that relate to Lessee's affairs, are maintained by Lessee pursuant to applicable government regulations, and do not contain privileged, confidential or proprietary information.

19.3 COMPLIANCE WITH CERCLA, ERFA AND RATFA. (a) Lessee shall promptly comply, at Lessee's sole expense, with the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended, ("CERCLA") 42 U.S.C. Section 9601, et.seq., and the regulations promulgated thereunder, the Emergency Response Fund Act ("ERFA") as amended, Ark. Code Ann. Section 8-7-401 et.seq. (1989 Supp.) and the regulations promulgated thereunder, and the Remedial Action Trust Fund Act ("RATFA") as amended, Ark. Code Ann. Section 8-7-501 et.seq. (1989 Supp.) and the regulations promulgated thereunder, to the extent that they are applicable to conditions created by Lessee's activities on the Demised Premises, and Lessee shall satisfy, at Lessee's sole expense, all requirements imposed by the United States Environmental Protection Agency ("EPA") and the Arkansas Department of Pollution Control & Ecology ("ADPC&E") with regard to such conditions. Lessee's obligation under this paragraph shall arise if there is any contemplated closing, terminating or transferring of operations or if there is a release or threatened release as defined in CERCLA, ERFA or RATFA or if there is an assessment of liability by the EPA, ADPC&E or a private party under CERCLA, ERFA or RATFA. Without limiting the foregoing, such obligation of Lessee must be satisfied prior to the expiration or termination of this lease with respect to that portion of the Demised Premises so affected.

(b) If ADPC&E or EPA determines that a clean-up plan must be prepared and that a clean-up must be undertaken because of a release or threatened release of Hazardous Substances, and if such release or threatened release is caused by Lessee's activities on the Demised Premises, then

Lessee, at Lessee's sole expense, shall prepare and submit the required plans and financial assurances, and implement and complete to the satisfaction of the ADPC&E, the EPA and the Lessor, the approved plans, with respect to such clean-up.

(c) At no expense to Lessor, Lessee shall promptly provide all information, except privileged, confidential or proprietary information, requested by Lessor to determine CERCLA, ERFA and RATFA applicability to conditions created by Lessee's activities on the Demised Premises and shall promptly sign affidavits evidencing any and all facts relevant to the determination, when requested, by Lessor.

(d) Lessee shall immediately furnish to Lessor true and complete copies of all documents, reports, submissions, inspections, notices, orders, directives, findings and correspondence and other materials pertinent to Lessee's compliance with CERCLA, ERFA and RATFA, except such documents, etc. as contain privileged, confidential, or proprietary information, as such are issued or received by Lessee.

19.4 SURVIVAL. This Article shall survive the expiration or sooner termination of this Lease.

19.5 ONGOING OBLIGATIONS. At the conclusion of the lease, Lessee shall effect closure of its operations on the Demised Premises in accordance with the closure plan set forth in any permit it may have with respect to activities conducted by it on the Demised Premises. If Lessee's closure activities render any part of the Demised Premises unusable, Lessee shall pay Lessor, monthly until the closure activities have been completed, a sum equal to the monthly fair market rental value of the portion of the Demised Premises so effected. Such payments by reason of

Lessor's loss of use of the Demised Premises shall be in lieu of all rent herein provided.

20. TAXES. Lessor shall pay all general real estate taxes on the Demised Premises, and all special assessment levies and other types of levies on real estate. After making payment of such taxes and levies Lessor shall advise Lessee of the amount each year and Lessee promptly shall reimburse Lessor for such amount, except that the amount shall be prorated in the first year and the last year of the lease term according to the number of months of the calendar year that the lease is in effect. Lessee shall be responsible for and shall pay all taxes upon the personal property of Lessee which may be in or upon the Demised Premises. All tax payments shall be made prior to the date when such taxes shall become delinquent.

21. BANKRUPTCY OR INSOLVENCY. (a) Neither this lease, nor any interest therein nor any estate thereby created, shall pass to any trustee or receiver in bankruptcy, or to any other receiver or assignee for the benefit of creditors or otherwise by operation of law.

(b) Should bankruptcy, insolvency or receivership proceedings of any kind be instituted by or against Lessee, or should Lessee's interest in this lease devolve or pass by operation of law to any other person or corporation, other than a company that is a subsidiary or an affiliate of Lessee, then, at the option of Lessor, that shall be considered a breach of the terms and conditions of this lease, and Lessor may pursue the remedies provided for in Paragraph 25 hereof.

(c) The provisions of paragraph (b) above shall be without any force or effect so long as Lessee, whether or not a bankrupt, shall perform its obligations under this

lease and not commit acts of default as provided in Article 24, Events of Default, hereof.

22. LANDLORD'S LIEN. If Lessee defaults in the payment of rent as provided hereunder, as finally determined by a court of competent jurisdiction. Lessor shall have, and it is hereby expressly given and granted, an express contract lien upon all goods, wares, merchandise, stock, fixtures, furniture, machinery, tools, implements, utensils, chattels, and all other personal property of whatsoever nature which may be placed upon the premises during the term of this lease, whether the same is or is not exempt from execution, to secure all the rent then due hereunder, and it is expressly understood and agreed that the taking by Lessor of any other security for said rent shall not operate as a discharge of or in anywise impair the express contractual lien by this paragraph created and granted, nor shall the taking of the express contractual lien in this paragraph provided be construed as in anywise releasing or impairing the Landlord's Lien given by law, but, on the contrary, the express contractual lien in this paragraph provided shall be cumulative of and in addition to any and all statutory lien rights which Lessor may have. Notwithstanding any of the foregoing provisions hereof, it is expressly understood and agreed that Lessee is privileged to sell goods, wares, and merchandise in the regular course of its trade, free from the lien above described; and further that Lessee, if not in default hereunder, is authorized to sell and dispose of machinery, fixtures, equipment and other personal property from time to time, free from such lien, where, by reason of the condition thereof or obsolescence, Lessee desires to do so.

23. CONDEMNATION. If the whole or any part of the Demised Premises shall be taken by any public authority

under the power of eminent domain, then and in that event, upon the taking of the same for such public use, the term of this lease shall cease upon the date when the same shall have been taken and the full rent shall be paid up to that date; if only a portion of the premises shall be taken by eminent domain, Lessee may continue, at Lessee's election in the possession of the remainder of the same under the terms provided herein, except that the annual rent shall be reduced in the proportion that the amount of premises taken bears to the amount of the premises demised. If any Lessee's facilities shall be affected by such taking, Lessee shall be relieved of its obligations to pay rent to the extent that the purposes of this Lease are frustrated thereby and the entire compensation awarded with respect to said facilities shall belong to Lessee. The entire compensation awarded with respect to the Demised Premises shall belong to Lessor without any deduction therefrom for any present or future estate or interest of Lessee in the Demised Premises, and Lessee hereby assigns to Lessor all of its right, title and interest in and to any and all such compensation together with any and all rights, estate and interest of the Lessee now existing or hereafter arising in and to the same or any part thereof.

24. EVENTS OF DEFAULT. Lessee shall be in default under the provisions of this lease agreement upon the happening of any of the following events or conditions:

(a) Failure to pay the rentals provided herein at the times, in the amounts, and in the manners set forth or within ten (10) days after written notice that same is due and payable.

(b) Failure to keep or perform any of the covenants, agreements, stipulations or conditions herein, where Lessee fails to commence the correction of such default within

thirty (30) days after the receipt by Lessee from Lessor of written notice describing such violation or default, or where Lessee fails to continue in its correction thereof or with promptness and dispatch until the same is fully rectified.

(c) If any federal, state or local agency asserts or creates a lien upon the Demised Premises or any portion thereof by reason of the occurrence of a Hazardous Discharge, release, or threatened release by Lessee of Hazardous Substances or by reason of environmental complaints because of any such release or threatened release.

(d) If Lessee fails to comply with any final, unappealable order of any federal, state or local agency requiring it to pay for damages or remediation costs relating to a Hazardous Discharge caused by Lessee's activities or operations.

(e) Failure to obtain any insurance required under this lease agreement or applicable state or federal law.

25. REMEDIES UPON DEFAULT. If the Lessee defaults during the term hereof (or any extensions or renewals), Lessor may, at its option, declare the rights of Lessee under this lease forfeited and same term ended and reenter said Demised Premises, with or without process of law, using such reasonable force as may be necessary to remove all persons or chattels therefrom; but notwithstanding such reentry by Lessor, the liability of Lessee for the rent provided for herein shall not be relinquished or extinguished for the balance of the term of this lease. In the event this lease is by Lessor declared forfeited under the terms and provisions of this paragraph and Lessor lawfully retakes the possession of the Demised Premises under the authority contained herein, all claims for damage

by reason of any such reentry by Lessor are expressly waived by Lessee. Any such reentry shall be without prejudice to any remedy of Lessor for arrears of rent or breach of covenant. It is further expressly understood and agreed that Lessor may resume possession of the Demised Premises and relet the same for the remainder of the term of this lease for the best rent obtainable for the account of Lessee, who shall make good any deficiency. Any such deficiency or part thereof may be recovered from Lessee as such deficiency or part thereof is determined from time to time, or Lessor may recover in one or more proceedings the anticipated difference in such rentals so that Lessor shall be entitled to recover and shall recover damages for Lessee's breach in an amount equal to the discounted value of the rental payable under the terms of this lease for the residue of the term hereof less the fair rental value of the Demised Premises for the residue of said term. However, nothing contained herein shall relieve Lessee of any liabilities or obligations hereunder, particularly with regard to Lessee's obligations under Article 19.

(b) If Lessor should delay in enforcing any obligation of Lessee hereunder, or should waive the performance of any such obligation, or should accept rent after the occurrence of any default by Lessee, then such action or forbearance by Lessor shall not be construed as a waiver of any default in any other obligation of Lessee hereunder, regardless of whether such default was then existing or had theretofore occurred or should thereafter occur.

26. CONCERNING TERMINATION. (a) Except as otherwise expressly provided herein, in the event of termination of this lease for any reason other than for the default of Lessee, the Lessee shall not be liable for further rental payments under Article 3, Rental, hereof or for

other obligations accruing after the date of termination, and if any rental under Article 3, Rental, shall have been paid in advance for a portion of the term after the date of termination, Lessor shall refund said rent to Lessee.

(b) Except as otherwise expressly provided herein, the termination of this lease for any reason shall not release Lessee from any liability to Lessor for rent theretofore due and unpaid and shall not release Lessee from performance of any other obligation accrued prior to the time of such termination.

27. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this lease nor sublet or sublease the premises, in whole or in part, except to a company that is its subsidiary or affiliate, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Except in the case of an assignment or sublease to a subsidiary or affiliate of Lessee, any such consent by Lessor may be conditioned upon the assignee or sublessee giving additional financial assurances of performance of the covenants and conditions herein and complying with additional insurance requirements from which Lessee herein has been allowed, in some respects, relief. Any assignment or subletting, even if consented to by Lessor, shall nevertheless be expressly subject to all of the terms, provisions and conditions of this lease agreement and shall not in any way release or impair the liability of Lessee hereunder.

28. QUIET ENJOYMENT. Lessor covenants that Lessee, upon paying said rent and performing the covenants and agreements contained herein, shall and may peaceably and quietly hold and enjoy the Demised Premises for the term herein provided.

29. EXTENSION OF TERM; TERMINATION BY LESSEE AND LESSOR. (a) Subject to termination as hereinafter provided, the term of this lease shall automatically be extended for additional successive periods of five years each upon the same terms and conditions as herein set out (except as hereinafter provided), all of which shall apply to each such extended term to the same extent and as fully as if this lease had been written for the period of time covering both the original term and the extended term or terms provided herein, and in such event the word "term" in this agreement shall mean and refer to the original term as so extended. This lease may be terminated by Lessee as of the end of the then current period of the term provided Lessee shall have given written notice of termination to Lessor on or before the date which is ninety (90) days prior to the expiration of the period of the term then in effect. Lessor shall have the right to elect to terminate this lease as of the end of any five year period of the term which occurs after the seventeenth anniversary of the commencement of the initial period of the term hereof, by giving Lessee written notice of termination on or before the date which is one hundred eighty (180) days prior to the expiration of the five (5) year period of the term then in effect.

(b) Notwithstanding any of the above provisions, it is agreed that during each five year extension the monthly rental payable in advance during said extended term, shall be an amount equal to the monthly rental specified in Article 3, Rental, hereof increased by no more than ~~the~~ ^{9.5%} ~~percentage~~ ^{50%} of increase, if any, in the Annual Average of the Consumer Price Index for all Urban Consumers (CPI-U) published by the Bureau of Labor Statistics (or its successor) of the United States Department of Labor (base

year 1982-1984 = 100) established for the year 1991 as compared to said Annual Average of said Consumer Price Index for all Urban Consumers established for the year prior to the year in which such extension commences. In no event will the monthly rental be less than the amount specified in Article 3, Rental, hereof. In the event the Consumer Price Index for all Urban Consumers is discontinued by the Department of Commerce or there is a major change in the base or manner of computation of such index, the parties shall substitute another index which shall be mutually agreeable.

30. REMOVAL OF LESSEE'S PROPERTY. At the expiration or termination of this lease, or any extension or renewal hereof, and provided that all of Lessee's obligations under the terms and provisions hereof are at such time satisfied, Lessee shall have the right to remove, and upon Lessor's request Lessee shall have the obligation to remove promptly from the demised premises all personal property, machinery, equipment, appurtenances, furniture, removable trade fixtures, shelving, merchandise and other removable property placed or brought upon the demised premises by Lessee and used by it in the operation of its business, and not permanently attached to the buildings, provided that the premises shall be restored to the same condition as existed at the time such fixtures or equipment were installed, reasonable wear and use of the premises excepted. The property described in this Article shall at all times be deemed the personal property of Lessee and shall not be deemed to have formed a part of the demised premises, but if such property be not removed promptly from the leased premises as above provided same shall become the property of Lessor.

31. SURRENDER OF PREMISES. At the expiration or termination of this lease, or any extension or renewal hereof, Lessee agrees to surrender the Demised Premises to Lessor in as good condition and state or repair as when received, ordinary and reasonable wear, tear, depreciation and decay excepted.

32. HOLDING OVER. In the event Lessee remains in possession of the herein Demised Premises after the expiration or termination of this lease or any extension or renewal hereof, such holding over shall not serve to renew or extend this lease and Lessee shall be deemed to be occupying the Demised Premises as Lessor's tenant at sufferance at a monthly rental of twice the amount stated in Article 3, Rental or Article 29, Extension of Term hereof.

33. TERMINATION OF SEPTEMBER 1, 1979 LEASE AGREEMENT. Lessor and Lessee hereby agree that the Lease Agreement dated September 1, 1979 between Lessor and Lessee relating to certain of the LC Buildings referred to in this lease shall be and the same are hereby terminated.

34. NOTICES. All notices or demands required or provided for in this lease shall be in writing, and may be given or served personally, or shall be sent by United States registered or certified mail or Western Union telegram with postage or charges prepaid, and addressed to the Lessor at Post Office Box 3108, East Camden, Arkansas 71701, and addressed to Lessee at the address as set forth on Page 1 hereof, or to such other address as may hereafter be designated by either party by written notice to the other party hereto.

35. SUCCESSORS AND ASSIGNS. Except as may be hereinabove specifically provided to the contrary, this lease agreement shall be binding upon and inure to the

benefit of the parties hereto, and their respective successors and assigns.

36. CAPTIONS. The captions of the Articles herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this lease nor the intent of any provisions hereof.

37. GOVERNING LAW. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Arkansas. Lessee hereby consents to the exclusive jurisdiction of the Calhoun County, Arkansas Circuit or Chancery Courts with respect to any dispute arising out of, or action brought by either party as a result of, this Lease Agreement. In the event that any action arising out of this Agreement or the relationship of the parties hereto is one where the Federal District Courts have exclusive subject matter jurisdiction, then venue for any such action shall be in the United States District Court for the Western District of Arkansas.

38. MISCELLANEOUS PROVISIONS. (a) Survival. All representations, warranties, indemnities, and agreements contained in this Lease, or in any exhibit hereto, shall survive the execution and delivery of this Lease; and the obligations of the parties which have accrued at or before the expiration or other termination hereof shall survive such expiration or other termination hereof.

(b) Entire Agreement and Waiver. This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof. A provision hereof may be altered or varied only by a writing executed and made a part hereof by Lessor and Lessee. Waiver by either party of any provision hereof in on instance shall not constitute a waiver as to any other subsequent instance with respect to the same

provision, nor shall it constitute a waiver as to any other provision hereof.

(c) Captions and Construction. The captions used herein as headings for the various sections hereof are for convenience only, and such captions shall not be construed to be a part of the Lease or to be used in determining or construing the intent or context of the Lease.

(d) Severability. If any clause, sentence, provision, or other portion of this Lease is or becomes illegal, null, void or unenforceable for any reason, or is held by any court of competent jurisdiction to be illegal, null, void, or unenforceable for any reason, the remaining portions of this Lease shall continue in full force and effect so long as the intent of the parties can continue to be effectuated hereunder.

IN WITNESS WHEREOF, this instrument is executed in duplicate originals as of the day and year first above written.

ATTEST:

HIGHLAND INDUSTRIAL PARK, INC.,
LESSOR

WK Della
Assistant Secretary

BY: Roy E. Scelvetto
President

ATTEST:

AUSTIN POWDER COMPANY, LESSEE

Angela Rabata
WITNESS (SECY)

BY: James P. Fitzgerald
PROPERTIES MGR. II

ACKNOWLEDGMENT

STATE OF ARKANSAS)

COUNTY OF CALHOUN)

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named Roy E. Ledbetter and ~~Trilla J. Mounts~~, being *W.R. Gibbs* the President and Assistant Secretary, respectively, of HIGHLAND INDUSTRIAL PARK, INC., a corporation, and who had been designated by said corporation to execute the above instrument, to me personally well known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal as such Notary Public on this 11th day of ~~May~~, 1992.
June

Mella J. Turner
Notary Public

My Commission Expires:

6-18-95

ACKNOWLEDGMENT

STATE OF OHIO)

COUNTY OF CUYAHOGA)

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named JAMES P. FITZGERALD and MYSELF, being the PROPERTIES MANAGER and WITNESS/SEC'Y, respectively, of Austin Powder Company, a corporation, and who had been designated by said corporation to execute the above instrument, to me personally well known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal as such Notary Public on this 9th day of ~~May~~, 1992.
JUNE

Angela Rabat
Notary Public

My Commission Expires:
ANGELA RABATIN, NOTARY PUBLIC
STATE OF OHIO, CUYAHOGA COUNTY
MY COMMISSION EXPIRES MAY 9, 1995

33	43	62	62	72	62
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KEY MAP



EXHIBIT A

MATCH LINE AREA NO 63

James Nixon

From: Thomas Ethridge <Thomas.Ethridge@austinpowder.com>
Sent: Monday, October 21, 2013 7:08 AM
To: jnixon@highlandinc.net
Subject: Emailing: MAGAZINE M6.xls
Attachments: MAGAZINE M6.xls

James

Here is a list of magazines you asked for, also I have included how much M-6 is in each one. If you need anything else please give me a call.

The message is ready to be sent with the following file or link attachments:
MAGAZINE M6.xls

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Thomas Ethridge, Plant Manager
Austin Powder Company
East Camden, Arkansas
870-574-0580 (Voice)
870-574-2060 (Fax)

MAGAZINE REPAIRS

MAGAZINE	Capacity	Stored
6LC01	210,000	35,280
6LC08	210,000	176,400
6LC13	210,000	176,400
6LC16	210,000	176,400
6LC18	210,000	176,400
6LC28	210,000	176,400
6LC30	210,000	176,400
17AT05	250,000	111,690
17AT08	250,000	111,534
17AT10	250,000	105,840
17AT11	250,000	109,200

MAGAZINE REPAIRS

MAGAZINE	Capacity	Stored
17AT13	250,000	141,120
17AT14	250,000	106,560
17AT16	250,000	105,726
17AT17	250,000	105,320
17AT21	250,000	133,560
17AT25	250,000	140,280
17AT26	250,000	145,320
17AT27	250,000	139,440
17AT28	250,000	141,120
17AT30	250,000	141,120