

## OFFICE LEASE

This Lease, dated **March 30, 2006**, by and between **Langley Research Park Associates, LLC** ("Landlord") and **Chugach Industries, Inc.**, ("Tenant").

1. **PREMISES.** Landlord hereby leases and demises unto Tenant, and Tenant hereby takes and leases from Landlord, certain premises known as **Suite 103** as shown highlighted on attached **Exhibit A** attached hereto and made a part hereof (the "Demised Premises"), consisting of approximately **4,850** rentable square feet in the building located at **103 Research Drive, Hampton, Virginia 23666** (the "Building") and being part of the office project known as The Science and Technology Center (the "Development").

2. **TERM.** The term (the "Term") shall begin on **June 6, 2006** (the "Commencement Date") and end on **January 31, 2011**. If the Demised Premises are not ready for occupancy on that date, the Commencement Date will be the date that Landlord gives possession of the Demised Premises to the Tenant. Except where the context clearly requires otherwise, the word "Term", whenever used in this Lease with reference to the term hereof, shall be construed to include any renewal term as well as the original term.

3. **RENT.** From the Commencement Date through the end of the Lease Term, Tenant agrees to pay Landlord, without offset or prior demand, base rent (the "Rent") of **See Lease paragraph 28, Rent Schedule** at the office of **Landlord, 10 San Jose Drive, Suite 4-C, Newport News, VA 23606** (all Rent checks shall be made payable to **Langley Research Park Associates**), or at such other place as Landlord may direct in writing. If the Commencement Date is not the first day of a month, Rent for that month will be pro rated. Rent shall be due on the first day of the month. If any Rent or other sum is not received by Landlord within ten (10) days after the due date, Tenant will pay a late charge of ten percent (10%) of the overdue amount. Payment of late charges will not excuse or cure any default by Tenant. **Rent for June, 2006 shall be payable upon Tenant's execution of this Lease.**

4. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord upon signing of this Lease the sum of **\$4,446.00** (the "Security Deposit") as security for Tenant's faithful performance of Tenant's obligations hereunder. It is agreed that in the event Tenant defaults with respect to any of the terms and conditions of this Lease, including, but not limited to, the payment of rent and additional rent, Landlord may use or retain all or any part of the security deposit to the extent required for the payment of any rent, additional rent, or any sum for which Tenant is liable. Should Landlord retain Tenant's security deposit, or a portion thereof, to cover Tenant's default, Tenant shall be required to restore said deposit to its original amount immediately upon demand by Landlord. Should Tenant fully comply with the terms and conditions of this Lease, the security deposit shall be returned to Tenant, without interest, after the end of the Lease term and the delivery of possession of the Demised Premises to Landlord by Tenant.

5. **UTILITIES.** Landlord shall be responsible for the cost of providing electrical services to the Demised Premises and shall pay all costs, as the same may become due and payable, for normal heating and air conditioning (8:00 a.m. through 6:00 p.m. Monday through Friday), electricity, and gas, and subject to paragraph 7 below.

6. **REAL ESTATE TAXES.** It is covenanted and agreed that Landlord will pay all real estate taxes and other charges assessed by the municipality.

7. **SERVICES.** Landlord will furnish hot and cold water for lavatory and drinking

purposes, electricity for lighting and the operation of ordinary business machines, electrical and plumbing repairs for the Common Areas, HVAC repairs and replacement, janitorial service as is presently in place at the Demised Premises, exterior Building maintenance, landscaping, and extermination services outside the Demised Premises. If any required services are suspended or curtailed due to accident, emergency, mechanical breakdown or any other cause beyond Landlord's reasonable control, Landlord will restore the services with reasonable dispatch, but Landlord will not have any responsibility or liability for the curtailment or suspension of services, and there will be no abatement of Rent or other effect on Tenant's obligations under this Lease.

8. **SUITE IMPROVEMENTS.** Prior to Tenant's occupancy, or as soon thereafter as is practicable, Landlord shall perform Suite Improvements as shown on attached **Exhibit A** to include 1) open closet area as shown to create an opening between front office areas, 2) install "panic" hardware on three (3) exterior doors where shown, 3) install mat or other suitable flooring outside exterior door from restroom area, 4) repair floor at main entrance as is necessary, and 5) clean the carpet and replace damaged ceiling tiles and burned out light bulbs as is necessary. All additional improvements required by Tenant shall be made at Tenant's expense. All of Tenant's improvements shall be subject to Landlord's review and approval, and all improvements shall be completed in a good workmanlike manner in accordance with all applicable municipal codes.

9. **ALTERATIONS; SIGNAGE.** Tenant will not (i) make any alterations, additions, or improvements to the Demised Premises without Landlord's prior written consent or (ii) install any sign, advertisement or notice on or in the Building except one sign approved by Landlord. Tenant agrees that any sign in the Development shall comply with all state, local and other governmental ordinances. Upon termination of the Lease, all alterations, additions, and improvements will become the property of Landlord.

10. **TENANT'S REPAIRS AND MAINTENANCE.** Tenant will repair, maintain, and upon the termination of the Lease, deliver to Landlord the Demised Premises in good working order and in the same good condition they are in on the Commencement Date, ordinary wear and tear and damage by fire or other casualty not due to the negligence of Tenant excepted. If Tenant fails to deliver the Demised Premises in such working order and good condition upon termination, Landlord shall be entitled to make such repairs and apply the Security Deposit, if any, against such amounts, and Tenant shall be solely responsible for such in excess of the Security Deposit.

11. **INSURANCE.** (a) Tenant will obtain and keep in force during the Term a combined single limit bodily injury and property damage liability insurance policy in an amount not less than \$1,000,000 for any one occurrence, with a general aggregate limit of \$2,000,000, insuring Tenant and naming Landlord as additional insured, against liability arising out of Tenant's use or occupancy of the Demised Premises. The policy shall be a primary policy not contributing with and not in excess of coverage which Landlord may carry. If Tenant fails to obtain or maintain this insurance, Landlord may do so at Tenant's expense. Tenant will also keep in force during the Term replacement value property insurance on all fixtures, equipment, and improvements in the Demised Premises, insuring Landlord and Tenant, as their interests may appear.

(b) Landlord will maintain for its own benefit direct physical or damage insurance on the Development, and a combined single limit bodily injury and property damage liability insurance policy in an amount not less than \$1,000,000 for any one occurrence, with a general aggregate limit of \$2,000,000. Tenant shall not conduct any activity that would cause Landlord's insurance premiums to rise. If Tenant's use or occupancy of the Demised Premises causes any increase in Landlord's insurance premiums, Tenant will pay the increase as additional annual Rent. Tenant

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will pay as additional rent any increases in the Landlord's insurance premiums above the first Lease Year.

(c) Landlord and Tenant waive any and all rights of recovery against each other for any loss or damage to the Demised Premises, the Building or its contents on account of fire or other casualty, or for any other injury, loss or damage sustained within the Development, and all insurance policies shall contain provisions recognizing this mutual release and waiving all rights of subrogation by the respective insurers.

12. **LIABILITY.** Except to the extent proceeds are actually received by Landlord from insurance maintained by Landlord, Landlord will not be responsible or liable for latent defects, deterioration or change in the condition of the Development or the Demised Premises, or for any damage resulting therefrom, whether to person or property, or for loss to any property of Tenant as a result of theft or misplacement, or for any death, injury, loss, or damage to persons or property howsoever caused, or for inconvenience, business interruption or loss of business of Tenant for any reason. To the extent covered by Tenant's insurance, Tenant will indemnify and hold Landlord harmless from and against any and all claims arising out of Tenant's use or occupancy of, or from any other activity permitted or suffered by Tenant in or about, the Demised Premises, or the Development; provided, however, if Tenant fails to keep in place the insurance referred to in Paragraph 11, Tenant shall be fully liable for, and shall indemnify Landlord against, all such claims. In the event of any default by Landlord in the performance of any of its obligations, Tenant agrees to look solely to Landlord's interest in the Development or to the undistributed proceeds of any sale of the Development for the satisfaction of any judgment obtained by Tenant as a result of any default, and Tenant will not seek any personal money judgment against Landlord or any of its officers, directors, stockholders or partners.

13. **DAMAGE BY FIRE OR OTHER CASUALTY.** If the Demised Premises are damaged or destroyed by fire or other casualty, Landlord will restore the Demised Premises, including alterations, additions or improvements made for Tenant by Landlord, to substantially the same condition as existed immediately prior to the damage or destruction. Restoration will commence and be completed with reasonable dispatch. Pending completion of the restoration, all Rent accruing shall be equitably and proportionately suspended or adjusted according to the extent Tenant is unable to use the Demised Premises. Notwithstanding the foregoing, if the cost of restoration is not fully covered by insurance, or if Landlord's mortgagee does not make all insurance proceeds available to Landlord within forty-five (45) days after the damage or destruction, or if Landlord determines that restoration is not economically feasible or capable of being completed within the reasonable time, Landlord may terminate this Lease by notice to Tenant.

14. **CONDEMNATION.** If the Building, or such portion thereof as will make the Demised Premises unusable for the purpose leased, is condemned, or sold under threat of condemnation, then this Lease will terminate as of the date of the vesting of title in the public condemning authority. Landlord will be entitled to the entire award for the taking or sale. If a portion of the Building is condemned, or sold under threat of condemnation, and the Demised Premises continue to be usable for the purpose leased, this Lease will continue and the Rent will be equitably adjusted.

15. **USE; COMPLIANCE WITH LAWS AND RULES; RIGHT OF ENTRY.** The Demised Premises will be used only for the **office and administration functions of Tenant in the normal course of Tenants business, which is that of a government contractor.** Tenant will comply with all (i) federal, state and local laws, ordinances and regulations including,

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without limitation, all environmental laws, rules, and regulations relating to the Demised Premises or the business conducted therein and (ii) the rules and regulations attached hereto as Exhibit B promulgated by Landlord from time to time. The Demised Premises will not be used for the treatment, storage, use or disposal of toxic or hazardous wastes or substances, or any other substance, exposure to which is prohibited, limited or regulated by a governmental or quasi-governmental authority or which, even if not so regulated, could or does pose a hazard to the health and safety of the occupants of the Development or surrounding property. Tenant will indemnify and hold Landlord harmless from and against any expense or liability (including attorney's fees) arising under environmental laws resulting from Tenant's use of the Demised Premises or any acts and/or omissions of Tenant, its agents, employees, invitees or independent contractors. Landlord may enter the Demised Premises for inspection, management or marketing purposes after twenty-four hours notice, except no notice need be given in the case of an emergency. This paragraph shall survive termination of the Lease.

**16. ASSIGNMENT AND SUBLETTING.** Tenant will not, without the prior written consent of Landlord assign this Lease, or sublet or permit any other person to occupy part or all of the Demised Premises. Regardless of Landlord's consent, no assignment or subletting will release Tenant of its obligations or alter the primary liability of Tenant to pay Rent and perform all its other obligations under this Lease. If Tenant is a corporation, the sale or encumbrance of a majority of its outstanding voting stock (whether in one transaction or as the result of more than one transaction) shall be deemed an assignment of this Lease. Likewise, if Tenant is a partnership, the sale or transfer of a majority of its partnership interests (whether in one transaction or as the result of more than one transaction) shall be deemed an assignment of this Lease. If, at any time during the term, Landlord has knowledge that a person, firm or corporation other than Tenant is in possession of the Demised Premises without the written consent of Landlord, Landlord may, at its option, at any time thereafter, by written notice to Tenant, accept and treat such person, firm or corporation in possession as the assignee or sublessee of Tenant, in which event both Tenant and such assignee or sublessee shall be obligated to observe and perform all the covenants, conditions and provisions herein contained binding upon Tenant provided; however, that nothing herein shall affect Landlord's other remedies for Tenant's default by wrongful assignment or subletting.

**17. RELOCATION OF PREMISES.** Anything herein or elsewhere to the contrary notwithstanding, it is agreed that, at any time prior to the Commencement Date, Landlord shall have the option to substitute equivalent space of the Building instead and in lieu of the Demised Premises described above, by giving Tenant written notice of Landlord's intention to do so at any time prior to the Commencement Date. In addition to the rights of Landlord in the preceding sentence, at any time during the Lease Term after the Commencement Date if the Demised Premises shall then contain less than three thousand five hundred (3,500) rentable square feet in area, Landlord shall have the right at its option and upon giving not less than thirty (30) days prior written notice to Tenant to transfer and remove Tenant from the Demised Premises to any other available space of substantially equal size and area within the Development, at a then equivalent Rent to that payable by Tenant during the term of this Lease. Landlord shall bear the expense of (i) said removal and of any renovation or alterations necessary to said substituted space to make the same conform in configuration to the Demised Premises and (ii) all reasonable out-of-pocket expenses actually incurred by Tenant in connection with the relocation including stationery and business cards. If Landlord exercises either of its rights as aforesaid, then and in such event, the substituted space upon Tenant's move thereto will be deemed to constitute the "Demised Premises" hereunder, and all other terms, conditions, covenants, warranties, agreements and provisions of this Lease shall continue in full force and effect and shall apply to the substituted space. In addition, Landlord reserves the right at all times and from time to time

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during the Term or otherwise, to redesign, reconstruct and rearrange the appearance and location of all Common Areas, passageways, lobbies, entrances and access ways of the Development.

**18. SUBORDINATION AND ATTORNMENT.** This Lease is subject and subordinate to all ground or underlying leases and to all mortgages or deeds of trust which may now or hereafter encumber such leases, the Building or the Development and to all renewal, modifications, replacements, and extensions thereof. Tenant will upon request of Landlord, execute and deliver, in recordable form, any instrument of subordination requested by Landlord to confirm such subordination. Notwithstanding the foregoing, in the event of a foreclosure under any such mortgage or deed of trust, the holder of the note secured thereby or the purchaser at the foreclosure sale shall have the option to recognize this Lease, in which event this Lease will continue in full force and effect, and Tenant will, upon request the mortgagee, trustee, noteholder or purchaser, execute and deliver, in recordable form, any instrument of attornment requested.

**19. ESTOPPEL CERTIFICATES.** Within ten (10) days after request, Tenant will execute, acknowledge and deliver to Landlord a written statement, addressed to such person as Landlord may request (i) certifying that this Lease is in full force and effect and unmodified (or if modified, specifying the modifications) and that Landlord is not in default under this Lease (or if a default is alleged, specifying the default), (ii) stating the date to which Rent and any other charges have been paid by Tenant and the address to which notices to Tenant should be sent, and (iii) certifying or stating such other matters as may be required by Landlord.

**20. DEFAULT.** In the event (i) Tenant fails to pay any installments of Rent or any other amount within ten (10) days after the due date, or (ii) Tenant defaults in the performance of any of the other covenants or conditions of this Lease for a period of thirty (30) days after written notice, or (iii) Tenant goes into bankruptcy or into receivership or makes a general assignment for the benefit of its creditors, or (iv) the Demised Premises are deserted or abandoned for a period of ten (10) days or more, then Landlord shall have the right, but not the obligation, in addition to all other rights and remedies provided by law to immediately receive title to any funds comprising the security deposit, to re-enter the Demised Premises and terminate Tenant's right to possession of the Demised Premises and to (i) declare all Rent for the remaining unexpired Term to be immediately due and payable, and (ii) release the Demised Premises and Tenant will be liable to Landlord for the difference, if any, between the Rent and other amounts payable under this Lease for the unexpired Term of this Lease and the amount collected by Landlord from such other tenant or tenants, during the balance of the Term. Tenant will pay all expenses, including reasonable attorney's fees, incurred by Landlord in connection with a default by Tenant under this Lease.

**21. QUIET ENJOYMENT.** Subject to the provisions of this Lease, Tenant will, upon performing all its obligations, enjoy quiet and peaceable possession of the Demised Premises during the Term.

**22. NON-WAIVER.** No waiver of any covenant or condition by either party shall be deemed to imply or constitute a further waiver of the same covenant or condition or a waiver of any other covenant or condition of this Lease.

**23. SUCCESSORS AND ASSIGNS.** This Lease is binding upon, and inures to the benefit of, the parties and their respective heirs, personal representatives, successors and assigns. Anything in this Lease to the contrary notwithstanding, the term "Landlord" means, and is limited to, the then owner or owners of the Development.

24. **HOLDOVER.** If Tenant or any assignee or subtenant continues to occupy the Demised Premises after the expiration or termination of the Term without the prior written consent of Landlord, such tenancy will be a tenancy of sufferance and the Rent payable will be two times the Rent otherwise required by this Lease in the last year of the Term. Landlord's acceptance of Rent after termination will not constitute a renewal of this Lease, a consent to occupy, or a waiver of Landlord's rights of re-entry or any other right contained herein.

25. **NOTICES.** All notices shall be in writing and deemed given when deposited in the United States certified or registered mail, postage paid, if to Landlord, when addressed to Landlord at **10 San Jose Drive, Suite 4-C, Newport News, Virginia 23606**, and if to Tenant, when addressed to Tenant at **the Premises with copy to Chugach Industries, Inc., 6340 McLeod Drive, Suite 3, Las Vegas, NV 89120**. Either party may, by like notice, designate a new address to which subsequent notices shall be addressed.

26. **AMERICANS WITH DISABILITIES ACT.** Tenant shall be responsible for ADA compliance within the Demised Premises after accepting and occupying the Demised Premises throughout the Term. Landlord certifies that current facilities are in full compliance with current ADA regulations, or landlord will put the current facilities in compliance with ADA regulations as soon as is practicable.

27. **OCCUPANCY.** If Tenant is unable to obtain possession of the Demised Premises at the beginning of the Term hereof due to any act or condition such as construction delays, the failure of the prior tenant to vacate the Demised Premises, Landlord shall not be liable to Tenant or any other person, firm or corporation for any loss or damage resulting there from, and this Lease shall not be affected thereby in any way, but the Rent payable hereunder shall be proportionately abated until the Demised Premises are available for occupancy by Tenant.

28. **RENT SCHEDULE.** Tenant shall pay rent in accordance with the following rent schedule.

<b>Period</b>	<b>Monthly Rent</b>	<b>Period Total</b>
June 1, 2006 – May 31, 2007	\$4,446.00	\$52,611.00
June 1, 2007 – May 31, 2008	\$4,624.00	\$55,488.00
June 1, 2008 – May 31, 2009	\$4,809.00	\$57,708.00
June 1, 2009 – May 30, 2010	\$5,001.00	\$60,012.00
June 1, 2010 - January 31, 2011	\$5,201.00	\$41,608.00

The total rent due and payable for the initial lease term is \$267,427.

29. **RENEWAL.** This lease shall continue to renew on a year to year basis unless either Landlord or Tenant gives to the other ninety (90) days prior written notice of its intent to terminate the lease at the end of the then current term. The monthly rent shall increase by 4% on February 1, 2011 and on each successive annual renewal date thereafter. The landlord agrees that at the end of the above term it will allow the successor contractor to sublease the demised premises from the tenant for a period of at least six months at the then prevailing rate per this agreement.

30. **COMMISSION.** Landlord shall pay to Agent a commission in accordance with Landlord's agreement with Agent.

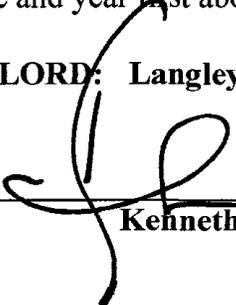
31. **DISCLOSURE.** Landlord and Tenant acknowledge that Agent represents Landlord in this transaction.

32. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties hereto, and it cannot be altered or modified in any way except in writing signed by the parties hereto. This Lease shall be governed by the laws of the Commonwealth of Virginia, and the agreed venue shall be the Circuit Court of the City of Hampton, Virginia. In any litigation between the parties, the parties agree to waive their right to trial by jury.

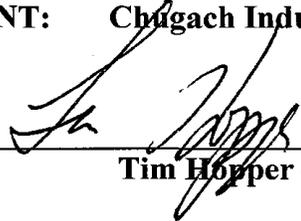
33. **COUNTERPARTS.** The parties hereto may execute different copies of this Lease individually, and all executed copies of this Agreement taken together shall constitute the entire fully executed Lease.

**IN WITNESS WHEREOF,** this lease has been duly executed by the parties hereto as of the date and year first above written.

**LANDLORD: Langley Research Park Associates, LLC**

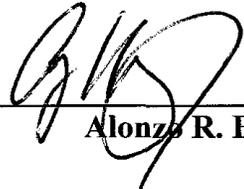
By:  \_\_\_\_\_  
Kenneth L. Allen - Managing Member

**TENANT: Chugach Industries, Inc.**

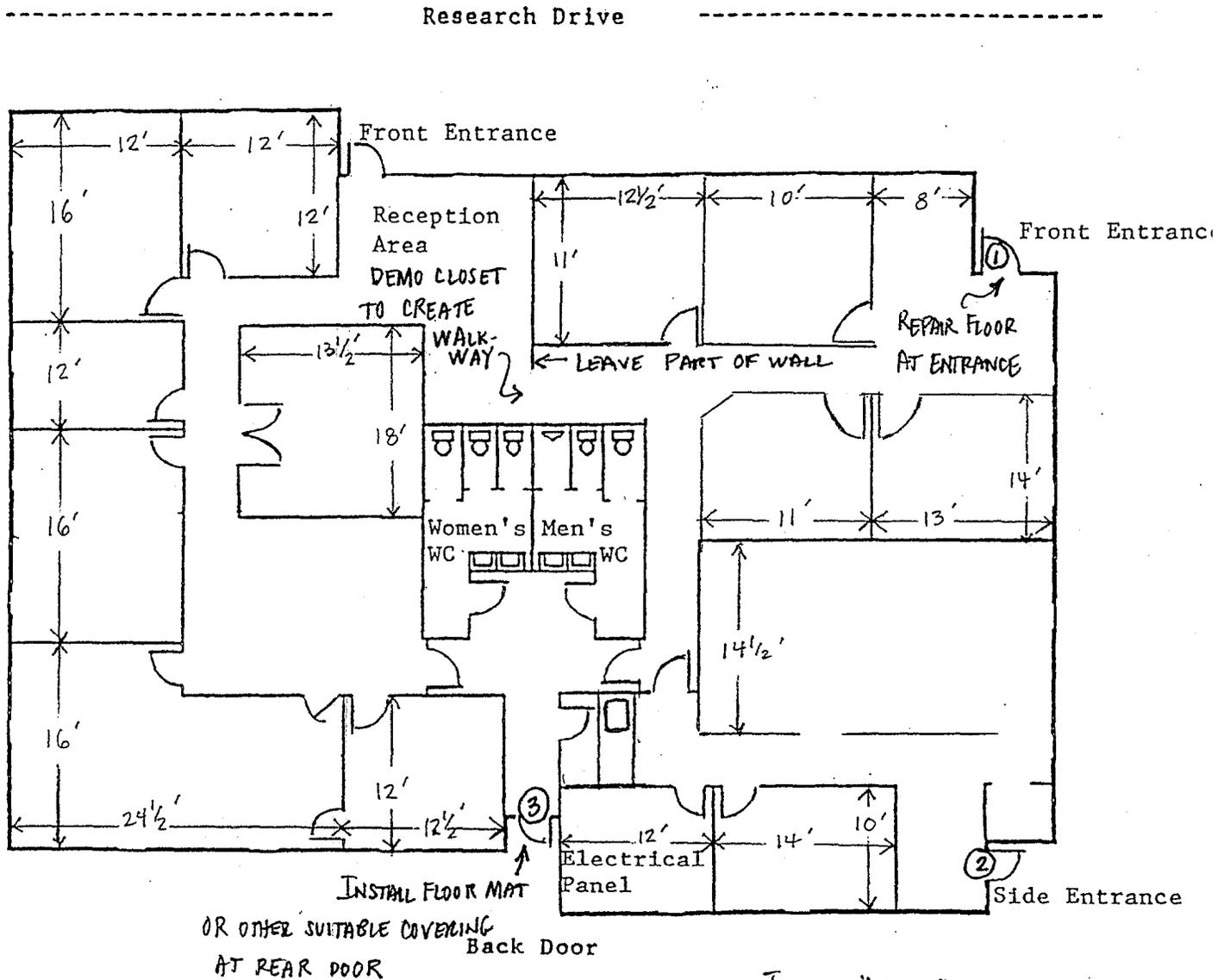
By:  \_\_\_\_\_  
Tim Hopper - President

**Acknowledement Signature:**

**AGENT: Randolph Real Estate Services Company, Inc.**

By:  \_\_\_\_\_  
Alonzo R. Bell, Jr. - Broker

103 RESEARCH DRIVE FLOOR PLAN



Not to Scale  
ALL DIMENSIONS ARE APPROXIMATE

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Non-compliance by Tenant with any of the following Rules and Regulations shall constitute default under this Lease.

(A) Tenant shall comply with all the rules and regulations of the Board of Fire Underwriters, officers or boards of the city, county, or state having jurisdiction over the Demised Premises, and with all ordinances and regulations of governmental authorities wherein the Demised Premises are located, at Tenant's sole cost and expense, but only insofar as any of such rules, ordinances and regulations relate to the Tenant's use of the Demised Premises.

(B) No additional locks shall be placed upon any doors of the Demised Premises without prior written approval from Landlord. Landlord shall furnish to Tenant one key to each entry door lockset, as well as one suite master key to the Demised Premises, and any additional keys shall be furnished at the cost and expense of Tenant. Upon the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord all keys to the Demised Premises. All duplicate key and lockset repairs/reset requests shall be made to the Landlord. Tenant shall be responsible for the cost of locking himself out, and Tenant will provide Landlord with an additional key once Tenant obtains a replacement key.

(C) Tenant and its employees are encouraged to park as far away from the entrances as possible. This will enable customers and clients to enter and conduct business without undue inconvenience. Certain spaces have been set aside as Handicapped Parking. These spaces will not be utilized for personal vehicles of Tenant or employees of Tenant. Virginia state law requires that local police departments issue a summons to any unauthorized vehicle parked in a designated handicapped parking space.

(D) No antennas or telephone, cable or other wires will be installed on the exterior of the Building by Tenant or its agents. If such antennas are installed without such approval, they shall be removed by Landlord at Tenant's expense.

(E) Tenant shall not install, attach or bring into the Demised Premises any equipment, instrument, duct, refrigerator, air conditioner, or other appliance which will require the use of water without first obtaining written permission of Landlord except as permitted by the provisions of the attached Lease.

(F) The sidewalks, entrances, and passages shall not be obstructed or used for any purpose other than ingress and egress.

(G) Landlord shall have the right to prescribe the weight, position and manner of support of all safes and all furniture or equipment of excessive weight. Safes, freight, furniture, and other bulky matter shall be moved only at such times, by such persons, and in such manner as shall be determined by Landlord's management agent. Tenant shall not place any object upon any floor which will cause the floor load of such floor to exceed that which was designed for such floor and which is allowed by law.

(H) Tenant shall not install any signs, posters, billboards, etc. of any kind in the windows or glass doors.

(I) Tenant shall not conduct any illegal or immoral activity.

(J) Tenant shall not remove the mini-blinds provided by Landlord. Tenant shall use white

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backing for any drapery or curtains which Tenant installs on the windows of the Demised Premises.

(K) Delivery and/or trade vehicles should be parked in the rear driveway and rear parking areas only when loading or unloading. Any driveway areas located in front of the Building should not be considered parking spaces by Tenant. Any residue deposited on any parking or loading area by a vehicle will be the responsibility of Tenant, and Tenant will immediately clean the area. No vehicle may extend onto the sidewalk surfaces that cross a driveway at any time, except for loading or unloading purposes. Tenant may not place signs of any type on the suite entrance, Common Areas or the Building and/or parking and loading areas.

(L) To avoid any unnecessary interference with the Development's tenant's businesses, Tenant move-in/move-out shall be performed after normal business hours.

(M) Canvassing, soliciting and peddling in the Development are prohibited.

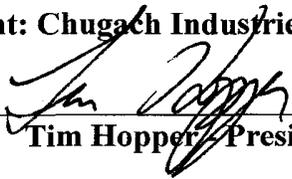
(N) Tenant will not conduct any activity within the Demised Premises which will create excessive traffic or noise anywhere in the Building.

(O) Tenant shall not knowingly use or permit to use the Demised Premises in any manner that will tend to create waste or a nuisance to disturb other tenants.

The Landlord reserves the right to make changes in these rules and regulations from time to time.

**Tenant: Chugach Industries, Inc.**

By: \_\_\_\_\_

  
**Tim Hopper, President**