

Handwritten:
39-B-2
32-213
AA

May 12, 1971

Mr. K. C. Specht
Vice President
Manager, Paint Division
M L Industries, Inc.
Building

Dear Ken:

We return herewith four completely executed copies of the Modesto Store renewal lease and one conformed copy. It has been attested, sealed and notarized.

We retained the fifth executed copy for our own files, and the lease has been dated as of the first day of January 1971.

Very truly yours,

J. J. Lawlor

JJL:lb
encl.

NL 000039498



K. C. SPECHT
VICE PRESIDENT
MANAGER

NATIONAL LEAD COMPANY

111 BROADWAY

NEW YORK, N. Y. 10006

May 11, 1971

RECEIVED
MAY 11 1971
J. J. L.

Mr. J. J. Lawlor
Assistant Secretary
N L Industries, Inc.
BUILDING

Dear Jack:

Enclosed are the signed original and five (5) copies of the Modesto Store renewal lease.

Please notarize and complete as per your letter of May 7, 1971.

Very truly yours,

K. C. Specht
K. C. Specht

KCS:hj
Encls.

NL 000039499

N 26085.01

May 7, 1971

Mr. K. C. Specht
Vice President
N L Industries, Inc.
B u i l d i n g

Dear Ken:

We return herewith papers received from Mr. Shetler of your staff, which enclosed a xerox copy of a lease already signed by the landlords.

The renewal lease, to commence as of the first day of January 1971, is in legal order for execution by ourselves as tenants. If you will sign the five copies in your hands and forward it to the Law Department, we shall arrange for attestation, seal and notarization.

In addition, we shall make the necessary inserts to indicate that the name of the tenant is N L Industries, Inc. (formerly known as National Lead Company.)

Very truly yours,

J. J. Lawlor

JJL:lb
enclosure

NL 000039500

N 26085.02

LE A S E

THIS LEASE, executed in quintuplicate as of the 12 day of January, 1971, by and between LAWRENCE E. MEEKER and EDITH C. MEEKER, his wife, hereinafter called "Landlord", and NATIONAL LEAD COMPANY, a New Jersey corporation, hereinafter called "Tenant".

W I T N E S S E T H :

In consideration of the covenants and agreements of the respective parties herein contained, the parties hereto do hereby agree as follows:

1. DEMISED PREMISES:

Landlord has demised and let and by these presents does hereby demise and let unto the Tenant, and Tenant leases and hires from Landlord all those certain premises, hereinafter more fully described, together with the building and improvements erected thereon, for the term and upon the rental and the covenants and agreements of the respective parties herein set forth. Said premises are described as follows:

The South one-half of Lot 2 of FAIRMONT TRACT, according to the Official Map thereof, filed in the office of the Recorder of Stanislaus County, California, on December 27, 1911, in Volume 6 of Maps at Page 12.

EXCEPTING THEREFROM that portion described as:

Beginning at the Southwest corner of said Lot 2, and running thence East along the South line of said Lot, a distance of 32 feet; thence North and parallel with the West line of said Lot, a distance of 30 feet; thence West and parallel with the South line of said Lot, a distance of 7 feet; thence Northwest, a distance of 9.99 feet to a point 18 feet East of the West line of said Lot 2; thence North and parallel with and 18 feet East of the West line of said Lot, a distance of 45.5 feet to the North line of the South half of said Lot; thence West along the said North line, a distance of 18 feet to the West line of said Lot; thence South along said West line, a distance of 82.5 feet to the point of beginning.

N 26085.03

2. TERM:

The term of this lease shall be for ten (10) years commencing January 1, 1971, and ending ten (10) years thereafter.

3. TERMS AND CONDITIONS OF LEASE:

This lease is made on the following terms and conditions, which are expressly agreed to by Landlord and Tenant:

(A) Rent: Tenant agrees to pay as rental to Landlord at its address specified in this lease, or at such other place as Landlord may from time to time designate in writing, the amount of ONE HUNDRED FIVE THOUSAND DOLLARS (\$105,000.00), payable in One Hundred Twenty (120) equal installments of EIGHT HUNDRED SEVENTY FIVE DOLLARS (\$875.00) each month in advance without default or delays and according to the true intent and meaning of these presents.

(B) Authorized Use: Tenant shall use the leased premises for the following purposes and for no other purposes whatsoever without the written consent of Landlord first had and obtained: office, salesroom, and receiving, warehousing, and distribution by sale or otherwise of paint and allied products.

(C) Insurance: Tenant will not keep, use or sell, or allow to be kept, used or sold in or about the leased premises, any article or material which is prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to premises of the same general type as those covered by this lease.

Tenant agrees to indemnify and hold Landlord harmless of and from any and all claims of any kind or nature arising from Tenant's use of the demised premises during the term hereof, and Tenant hereby waives all claims against Landlord for damage to goods, wares or merchandise or for injury to persons in and upon the premises from any cause whatsoever,

representatives or from failure of Landlord to perform the obligations hereunder within a reasonable time after notice in writing by Tenant requiring such performance by Landlord. Tenant, in fulfillment of its obligations under the preceding sentence, may at all times during the term hereof keep in effect in responsible companies liability insurance and shall have the right to settle and adjust all liability claims and all claims against the insuring companies, but without subjecting Landlord to any liability or obligation. Such insurance may, at Tenant's election, be carried under any general blanket coverage of Tenant.

Tenant shall obtain and keep in force for this lease term, and renewals, fire insurance and extended coverage in a standard fire insurance company, on the demised premises in the amount of 90% of insurable value, and such insurance shall be paid for by the Tenant, and shall designate Landlord as one of the named insureds.

(D) Condition of the Premises: Tenant accepts the leased premises in the condition they are in at the time of the commencement of the term of this lease. Tenant may at Tenant's own expense in conformity with the requirements of the law erect or permit signs to be erected on the building on the demised premises. Tenant may make at Tenant's own expense such alterations, additions or improvements in or to the building on the demised premises as Tenant may deem necessary or desirable for Tenant's purposes, or for the purpose of sub-tenants, without liability for salvage. Any work undertaken by Tenant shall be done in accordance with requirements of governmental authority. Such signs, improvements and alterations shall be installed in a workmanlike manner and shall not damage the leased premises. Landlord will not let, use, or permit to be used the building or portion of the building under lease for the advertising of a competitive or non-competitive business, or of any cause or crusade. Tenant will not commit

premises in violation of any present or future law of the United States, or of the State of California, or in violation of any municipal ordinance. Tenant agrees to keep the building and the improvements of the premises outside the building, the grounds, if any, and the service and parking areas in good condition and repair and to maintain said premises in a clean, attractive, and sanitary condition. Any alterations or improvements to the leased premises shall become the property of the Landlord at the expiration or sooner termination of the lease, provided, however, that all trade fixtures and store equipment located in the demised premises or on the outside thereof, and whether or not attached thereto, installed thereon by Tenant or sub-tenants, or installed by others and sold or assigned to Tenant or sub-tenants, shall belong to Tenant or such sub-tenants and may be freely removed by them at any time during the term or at the expiration of this lease or any renewal thereof. Tenant agrees that such removal will be conducted in a workmanlike manner without damage to the premises. Tenant further agrees to surrender the leased premises at the expiration or sooner termination of this lease, or any extension thereof, in the same condition, or as altered, pursuant to the provisions of this lease, ordinary wear and tear or damage by the elements excepted.

(E) Repairs, Damage or Destruction: Tenant agrees to maintain the improvements and parking area located on the subject property in good condition and repair, which shall include, but not be limited to, interior, exterior, roof, glazing, plumbing, wiring and general structural condition of the building to the end that Landlord shall not be called upon during the term of this lease, to make any repairs, alterations or improvements to the demised premises, excepting that Landlord shall promptly and without expense to Tenant make any repairs, changes, or improvements to the roof, foundation, and exterior walls which may be required by any

or improvements which may be required by any governmental authority, if same shall be caused by Tenant's business on the demised premises, but Tenant shall not be required to install fire escapes, sprinklers, or other fire preventive devices). Any repairs made by Landlord shall be made at such reasonable times as shall not interfere with the conduct of the business in the demised premises and Landlord will give Tenant reasonable notice of the time when such repairs are to be made; in carrying out the intent of this provision it is agreed that repairs will be made at such hours and time so that overtime or other premium wage rates will not be necessary. In the making of such repairs none of the space demised shall be taken or diminished; and in case it becomes necessary, by reason of any order of any governmental authority, for Landlord to run pipes or wires or any other unsightly material through the demised premises, the same shall be placed in a concealed position so far as practicable.

If the demised premises or any part thereof shall be damaged or destroyed by fire or other insurable causes other than earthquake or other casualty, Landlord will promptly repair all such damage and restore the demised premises without expense to Tenant, subject only to delays due to adjustment of insurance claims, strikes and other causes beyond Landlord's control. If such damage shall render the premises untenable in whole or in part, the rent shall be abated wholly or proportionally as the case may be until the damage shall be repaired and the premises restored, including such reasonable time as is necessary for Tenant to repair and restore its fixtures and equipment, re-stock its merchandise and resume business in the whole of the premises, or the part rendered untenable, as the case may be. If the damage or destruction shall be so extensive as to require substantial rebuilding (i.e., expenditure of

demised premises, Landlord may elect to terminate this lease by written notice to Tenant given within thirty (30) days after the occurrence of such damage or destruction. It is further agreed that if such substantial damage or destruction (as aforesaid) shall occur during the last two (2) years of the term of this lease, or of any renewal or extension thereof, Tenant shall have the right to cancel or terminate this lease without further liability therefor by written notice to Landlord given within thirty (30) days after the occurrence of such damage or destruction.

(F) Third Party Interests: Notwithstanding anything herein to the contrary, Tenant agrees that this lease is and shall be subordinate to any mortgage, deed of trust or other instrument of security which have been or shall be placed on the land and building or land or building of which the demised premises form a part, and such subordination is hereby made effective without any further act by Tenant. Tenant agrees that at any time or from time to time upon request by Landlord to execute and deliver any instruments, releases or other documents that may be required in connection with subjecting and subordinating this lease to the lien of said mortgage, deed of trust or other instrument of security, Tenant hereby appoints Landlord as Tenant's attorney in fact, irrevocably, to execute and deliver any such instruments. In the event that the principal or interest upon any such mortgage or mortgages, deed of trust or other instrument of security upon the demised premises or any other payments required by same to be made by Landlord shall remain overdue and unpaid for a period of twenty five (25) days after the same shall have become due and payable thereunder, notice of such default shall promptly be given by Landlord to Tenant, and Tenant shall have the right, at its option, to pay such principal and interest to the mortgagee or mortgagees, and to make all such other payments so in default, together with the interest or penalty, if any, by reason of such default; and in any such case Tenant will be subrogated to and be entitled to enforce all rights of the mortgagee

to Tenant. If any garnishment, lien, writ of execution, third party order, attachment or any other similar process be issued against or levied or served upon Tenant in any action wherein Landlord is a party, then Tenant may deduct from any installment or installments of rental due or thereafter becoming due hereunder all expenses and payments, including reasonable counsel fees, incurred by Tenant in filing and disclosure, affidavit, answer, certificate, or plea, or in any other way answering or defending such garnishment, lien, writ of execution, third party order, attachment, or other similar process.

(G) Concessions: Landlord will not consent to the granting of any newspaper, taxicab, or other licenses or concessions on the sidewalk or streets adjacent to the demised premises without obtaining written consent of Tenant; and Landlord further agrees that it will not erect or permit to be erected by any other tenant of the building in which the demised premises are located, or adjacent thereto, if owned or managed by Landlord, of a marquee over any of the sidewalks contiguous to such building. The Landlord or Landlord's successors in interest will not during the term hereof let, use or permit to be used any other portion of the building or buildings of which the demised premises form a part, or adjoining building owned or controlled by the Landlord or Landlord's successors in interest, for the sale, display or advertising of paints, paint ingredient, paint equipment, wallpaper, etc. - or for the advertising of any business or department of a business in competition with that of the Tenant.

(H) Utilities: Tenant shall pay all charges for water, gas, heat, electricity and other public utilities used on the leased premises.

(I) Assignment: Tenant may not assign this lease or sublet all or any part of the demised premises without the prior written consent of Landlord, but such consent may not be unreasonably withheld. In the

(J) Default by Tenant: If Tenant shall default in the performance of any covenant herein other than the payment of rent Landlord shall have the right to one of the following remedies, but not both, at its option after giving Tenant notice in writing and upon the expiration of a period of thirty (30) days thereafter during which Tenant has not undertaken to remedy such default and provided that such delay is not caused by strikes, act of God, unavailability of materials or other causes beyond Tenant's control:

(1) Remedy the default by making performance for Tenant and for that purpose advance such amounts as may be necessary. Any amounts so advanced or any expense incurred or sum of money paid by Landlord (a) by reason of the failure of Tenant to comply with any covenant, agreement, obligation, or provision of this Lease, or (b) in defending any action to which Landlord may be subjected by reason of any such failure shall be deemed additional rent for the leased premises and shall be due and payable to Landlord on demand.

(2) Terminate this lease by giving Tenant notice of such termination and Landlord shall have the right to re-enter the premises and take possession thereof by summary proceedings, re-entry or other lawful manner, and remove all persons and/or any property therefrom.

If Tenant shall default in the payment of rent, or any part thereof, or in making any other payment herein provided for, and any such default shall continue for a period of fifteen (15) days after written notice to Tenant, or shall abandon the premises or shall be adjudicated a bankrupt or make an assignment for the benefit of creditors, or in the event a receiver in insolvency proceedings shall be appointed for any of Tenant's property, including the demised premises, and such appointment not ~~to~~ be vacated within sixty (60) days, Landlord may re-enter the premises and take possession thereof by summary proceedings, re-entry or other lawful manner, and remove all persons and/or any property therefrom. In any such lawful re-entry Landlord will not be liable to indictment, prosecution or damages therefor and at the option of Landlord it may relet the demised premises and receive the rent therefor, applying same first to the payment of Landlord's reasonable expenses in recovering possession of the demised premises and then to the payment of rent hereunder, Tenant to remain liable for any deficiency, for which suit may be brought by Landlord. Tenant will have no right to redeem the premises by any process of law after re-entry by Landlord as hereinbefore provided.

(K) Possession, Inspection, Holdover, Surrender: Tenant, upon performing the covenants herein on Tenant's part to be performed shall and may peaceably and quietly have, hold and enjoy the demised premises during the terms hereof; and Landlord warrants that Landlord has the full right to lease the demised premises for the term and in the manner herein provided, and agrees to indemnify Tenant for and against any and all loss and damage of whatever kind that may result to Tenant on account of any failure of or

defect in Landlord's title or right to make and execute this lease, and that there are no restrictions applicable to the demised premises which affect and limit the right of Tenant to operate a paint store therein, to sell therein any articles of merchandise whatsoever or to exercise any of the rights granted to Tenant by this lease. Landlord agrees to put Tenant in possession of the demised premises at the commencement of the term of this lease. Tenant at any time during the term shall permit inspection of the demised premises during reasonable business hours by Landlord or Landlord's representatives for the purpose of ascertaining the condition of the demised premises and in order that Landlord may make such repairs as may be made by Landlord under the terms of this lease. Sixty (60) days prior to the expiration of this lease, unless renewed or extended as provided herein, Landlord may post suitable notice on the demised premises that the same are "To Let" and may show the premises to prospective tenants at reasonable times during business hours. Should Tenant hold over the lease premises or any part thereof after expiration of the term of this lease, unless agreed to in writing, such holding over shall constitute tenancy from month to month only and Tenant shall pay as monthly rental the then reasonable value of the use and occupation of the lease premises. Tenant will surrender the premises under the terms and conditions agreed upon in paragraph D of Article 3 of the lease.

(L) Option to Renew: Upon the timely performance of all of the covenants of this lease carried out by Tenant, Tenant shall have the right at its option to renew this lease for a further period of ten (10) years at a rental rate to be negotiated and agreed upon or arbitrated as hereinafter set forth with all other terms, conditions, and covenants to be the same as herein provided; in the event the parties are unable to agree as to the amount of the rental rate, the same shall be determined by arbitration.

the same may be arbitrated by request of either Landlord or Tenant. Within ten days after request and notification of the selection of an arbitrator by either Landlord or Tenant, the other party shall select its arbitrator and the third arbitrator shall be appointed by the two so appointed. If either party shall refuse or neglect to appoint an arbitrator within ten days after the other party shall have appointed an arbitrator, and served written notice thereof upon the other party requiring him to appoint an arbitrator, then the arbitrator so first appointed shall have the power to proceed to arbitrate and determine the matter of the rental for the additional ten year period as if he were an arbitrator appointed by both parties hereto for that purpose, and his decision as to the rental in writing shall be final provided such decision shall be made within ten days after such refusal or neglect of the other party to appoint an arbitrator. In case there are three arbitrators selected as above mentioned, a decision in writing signed by any two of them shall be final. The option shall be exercised by serving upon Landlord in the manner herein provided for the serving of notices, not less than ninety (90) days written notice prior to the otherwise termination date of this lease of such intent to renew. The cost of the arbitrators shall be divided equally between the parties to this lease.

M. Waiver of Covenants: It is agreed that the waiving of any of the covenants of this lease by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of covenant or any provision herein contained. Any failure on the part of either party to this lease to perform any obligation hereunder, and any delay in doing any act required hereby shall be excused if such failure or delay is caused by any strike, lockout, act

period that such cause continues, save and except that the provisions of this paragraph shall not excuse a non-payment of rent or other sums due hereunder on its due date.

(N) Succession: All of the covenants on the part of Landlord contained in this agreement shall be binding upon Landlord and Landlord's heirs, executors, administrators, representatives and assigns and shall be construed to be covenants running with the land, and the term Landlord shall include the Landlord herein named and Landlord's successors in interest. All of the covenants on the part of Tenant contained in this agreement shall be binding upon Tenant and its assigns and shall enure to the benefit of Landlord and Landlord's heirs, executors, administrators, representatives and assigns.

(O) Time: Time is of the essence of this lease and every term, covenant and condition herein contained.

(P) Liens: Tenant agrees not to permit any lien for moneys owing by Tenant to remain against the lease premises for a period of more than thirty (30) days. Should any such lien be filed and not released or discharged within that time, Landlord may at Landlord's option (but without the obligation to do so) pay or discharge such lien and may likewise pay and discharge any taxes or other charges against the leased premises which Tenant is obligated to pay hereunder and which may or might become a lien on the premises. Tenant agrees to repay any sums so paid by Landlord upon demand therefor, together with interest at the rate of ten percent (10%) per annum from the date any such payment is made.

(Q) Real Property Taxes: All real property taxes and assessments levied against the demised premises, both land and improvements, shall be paid when due by Tenant during the term of the lease and any renewal thereof.

(R) Paragraph Headings: The paragraph headings as to the contents of particular paragraphs herein are inserted only for convenience and are in no way to be construed as part of such paragraph or as a limitation on the scope of the particular paragraph to which they refer.

(S) Notices: All notices to Tenant shall be sent by registered mail addressed to Tenant (Regional Sales Manager) at 2240-24th Street, San Francisco, California, 94107 (P.O.Box 512, San Francisco 94101). All notices to Landlord shall be sent by registered mail addressed to Landlord at: 207 Lois Avenue, Modesto, California. Landlord hereby requests that all rental becoming due hereunder shall be paid to Lawrence E. Meeker, 207 Lois Avenue, Modesto, California, until further notice is given in writing to Tenant. All notices properly addressed shall be deemed served upon the date of their registration with the postal authorities.

(T) Condemnation: If the whole or any substantial part of the demised premises shall be taken or condemned by any competent authority for any public use or purpose then, and in that event, the term of this lease shall cease and terminate at the Landlord's option from the date when possession of the part so taken shall be required for such use or purpose and the Tenant shall not be entitled to share with the Landlord any award which the Landlord receives on account of such taking. If a minor part (such part that the taking does not substantially interfere with Tenant's business operations) is so taken, the balance of the rental due hereunder shall be apportioned according to Tenant's losses sustained as a result thereof.

(U) Landlord reserves a 20 foot right-of-way being the West 20 feet of the East 35 feet of the herein demised premises. Said right-of-way to be used for ingress and egress to the property adjacent to the leased property on the North. Landlord agrees the use of said right-of-way will not interfere with Tenant's use of parking area.

IN WITNESS WHEREOF, the parties hereto have executed this lease in quintuplicate as of the date first above written.

Lawrence E. Meeker
LAWRENCE E. MEEKER

Edith C. Meeker
EDITH C. MEEKER

LANDLORD

NATIONAL LEAD COMPANY

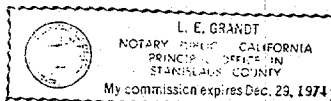
By: K C Specht
VICE PRESIDENT

By: J J Lawin

STATE OF CALIFORNIA)
) ss.
County of Stanislaus)

On this 20th day of January, 1971, before me the undersigned, a Notary Public in and for the State of California, duly commissioned and sworn, personally appeared Lawrence E Meekes and Edith C Meekes and acknowledged to me that he was authorized to execute said instrument on behalf of himself and that the same was executed as the free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



L E Grandt
NOTARY PUBLIC in and for the State
of California, residing at Modesto

STATE OF NEW YORK)
) ss:
County of New York)

On this 12th day of May, 1971, before me, the undersigned, a Notary Public in and for the State of New York, duly commissioned and sworn, personally appeared K C Appert and J J Linder, to me known to be a Vice President and Cost Secretary, respectively of NATIONAL LEAD COMPANY, the corporation above named, and acknowledged to me that they were authorized to execute said instrument on behalf of said corporation, and that the same was executed as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

John T. Rafferty
NOTARY PUBLIC in and for the State of
New York, residing at New York City, N.Y.

JOHN T. RAFFERTY
NOTARY PUBLIC, STATE OF NEW YORK
No. 24-3195655
Qualified in Kings County
Commission expires Jan. 26, 1973