

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is entered into as of this 2nd day of August 2002, by and between The Titan Corporation, a Delaware corporation ("Sublandlord"), and SureBeam Corporation, a Delaware corporation ("Subtenant").

RECITALS

A. Sublandlord is the tenant under that certain Office Building Lease by and between Embassy Tower Limited Partnership, as landlord ("Master Landlord"), and Sublandlord, as tenant, dated May 17, 2000 (such lease, as it may be amended from time to time, the "Master Lease"), for certain space located at 9300 Underwood Avenue, Omaha, Douglas County, Nebraska 68114 (the "Premises").

B. Subtenant wishes to sublease a portion of the Premises from Sublandlord.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Basic Sublease Information.

The information set forth in this Section (the "Basic Sublease Information") is intended to supplement and/or summarize the provisions set forth in the balance of this Sublease. Each reference in this Sublease to any of the terms set forth below shall mean the respective information set forth next to such term as amplified, construed or supplemented by the particular Section(s) of the Sublease pertaining to such information. In the event of a conflict between the provisions of this Section and the balance of the Sublease, the balance of the Sublease shall control.

Sublandlord: The Titan Corporation, a Delaware corporation

Sublandlord's Address
for Notices: The Titan Corporation
3033 Science Park Road
San Diego, CA 92122
Attn: Real Estate
(858) 552 - 9500

Subtenant: SureBeam Corporation, a Delaware corporation

Subtenant's Address
for Notices: SureBeam Corporation
9276 Scranton Road, Suite 600
San Diego, CA 92121
Attn: Jerry Nelson

Subdemised Premises: Approximately 3,947 aggregate square feet

Building: Embassy Tower

Permitted Use: As specified in Section 3 of the Master Lease as general office.

Base Rent: Six Thousand Four Hundred, Thirteen Dollars and Eighty Cents (\$6,413.80) per month (except for any partial month during the term of this Sublease, in which case Base Rent for such month shall be pro-rated based on the number of days in that month), or \$19.25 per rentable square foot per year.

Commencement Date: The term of the Sublease shall commence on August 2, 2002 (the "Commencement Date").

Expiration Date: The Expiration Date shall be May 31, 2003, or such earlier date, if any, on which the Master Lease is terminated or expires or this Sublease is terminated pursuant to the terms herein.

Subtenant's Insurance: Specified and as required in Sections 12 and 14 of the Master Lease.

Security Deposit: Six Thousand Four Hundred, Thirteen Dollars and Eighty Cents (\$6,413.80) payable in accordance with Section 15 hereof.

2. Sublease.

Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Subdemised Premises upon all of the terms, covenants and conditions in this Sublease.

3. Delivery Condition.

Subtenant acknowledges that it takes possession of the Subdemised Premises in its "as is" condition, and further acknowledges that Sublandlord has made no representations or warranties of any kind or nature, whether express or implied, with respect to the Subdemised Premises, the remainder of the Premises, the common areas, or the Building, nor has Sublandlord agreed to undertake or perform any modifications, alterations, or improvements to the Subdemised Premises, the remainder of the Premises, the common areas or the Building which would inure to Subtenant's benefit.

4. Term.

4.1 Term. The term (the "Term") of this Sublease shall commence on the Commencement Date, and shall end on the Expiration Date.

4.2 Surrender. Subtenant shall, on or before the Expiration Date, remove all personal property, furniture, trade fixtures and other equipment, provided that the removal of the same does not adversely affect the Building structure or any Building operating system or is not prohibited by the Master Lease, and that Subtenant promptly repairs any damage to the Building structure or its operating systems caused by such removal pursuant to the requirements of the Master Lease. In the event that Subtenant fails to remove any such items as required by this Section 4.2 by the Expiration

Date, all such items remaining on the Subdemised Premises after the Expiration Date shall be deemed abandoned and Sublandlord may dispose of such items as it sees fit, without liability to Subtenant. Subtenant shall also be responsible for the removal, on or before the Expiration Date, of all alterations as required under the Master Lease installed by Subtenant pursuant to this Sublease and shall be responsible for any associated repair or restoration of the Subdemised Premises required under the Master Lease. In all other respects, Subtenant shall deliver the Subdemised Premises broom clean, in its condition as of the Commencement Date, reasonable wear and tear and casualty excepted. In no event shall Subtenant remove any of the plumbing, electrical, data lines, and HVAC system(s), except as otherwise required pursuant to this Section 4.2.

Subtenant shall vacate and deliver possession of the Subdemised Premises free of all liens, charges or encumbrances resulting from any act or omission on Subtenant's part, and free and clear of any and all violations of any law, rule or regulation of any federal, state, municipal or other agency or authority by reason of Subtenant's actions or failures to fulfill any of its obligations under this Sublease ("Violations"). Subtenant shall indemnify Sublandlord against any and all loss, expense, damage, costs or attorneys' fees arising out of Violations occurring any time on or after the Commencement Date. The voluntary or other surrender of this Sublease by Subtenant, or a mutual cancellation thereof, shall not automatically terminate any sub-subleases or sub-subtenancies or other agreements by which Subtenant has granted rights to third parties to all or any part of the Subdemised Premises, but shall, at the option of Sublandlord, either (1) terminate all or any existing sub-subleases or sub-subtenancies or such other agreements, or (2) operate as an assignment to Sublandlord of any or all such sub-subleases or sub-subtenancies or such other agreements.

4.3 Holding Over. If Subtenant remains in possession of the Subdemised Premises after the Expiration Date, such occupancy shall constitute a tenancy at sufferance, and Subtenant shall be obligated to pay 150% of the rental installments as specified in Section 5 of this Sublease and Subtenant shall be liable to Sublandlord for any and all claims, damages, liabilities, costs and expenses (including attorneys' fees and expenses) incurred by Sublandlord and arising out of Subtenant's failure to timely surrender the Subdemised Premises in accordance with the requirements of this Sublease, including, without limitation those incurred by Sublandlord arising under the Master Lease.

5. Rent

As used in this Sublease, the term "Rent" shall include (1) Base Rent and (2) all other amounts which Subtenant is obligated to pay under the terms of this Sublease.

5.1 Rent. Base Rent is as specified in Section 1 (Basic Sublease Information). Base Rent shall be paid by Subtenant to the Master Landlord for the Sublandlord as set forth in Section 4 of the Master Lease and as subsequently amended or modified. Subtenant shall also be solely responsible for any and all increases in Rent or any added cost or charge which has arisen solely because of Subtenant's tenancy in the Subdemised Premises, including, without limitation, any and all heat, water and sewer charges, electric and other utility charges, as well as any other service charges required by the Master Lease and relating to the Subdemised Premises and/or Subtenant's occupation thereof that are not already then covered by the Base Rent (as defined in the Master Lease), or Operating Expenses (as defined in the Master Lease) passed through to Sublandlord under the Master Lease.

5.2 [INTENTIONALLY OMITTED]

5.3 Manner of Payment. All Rent or other payment due from Subtenant to Sublandlord hereunder shall be paid in lawful money of the United States, without any prior demand therefor and without any deduction or setoff whatsoever, at the Master Landlord's address pursuant to Section 4 of the Master Lease or such other place as Sublandlord and/or Master landlord shall from time to time designate (including, without limitation, by wire transfer of immediately available funds to an account specified by Sublandlord) by written notice provided to Subtenant at least five (5) days prior to the date on which such Rent or other amount first becomes payable.

6. Use and Compliance With Laws.

Subtenant shall use the Subdemised Premises for the Permitted Use (as specified in the Basic Sublease Information) during the Term of this Sublease, and for no other use or uses. Subtenant **shall not** engage in any activities prohibited by the Master Lease. Subtenant shall not use or store flammable or hazardous materials on the Subdemised Premises, except to the extent normally used in the ordinary course of business with respect to the Permitted Use unless such materials are specifically prohibited in the Lease. Subtenant shall not perform any act or carry on any practice which may injure the Subdemised Premises or cause any offensive odors or noises that constitute a nuisance or menace to any other tenant or tenants of the Building or the Premises or other persons, and in no event shall any noises or odors be emitted from the Subdemised Premises. Nothing shall be done upon or about the Subdemised Premises which shall be unlawful, improper, or contrary to any law, ordinance, regulation or requirement of any public authority or insurance inspection or rating bureau or similar organization having jurisdiction and Subtenant shall be in compliance at all times with all such laws, ordinances, regulations and requirements. Subtenant shall observe and comply with, and shall cause its employees, agents and invitees to observe and comply with the restrictions set forth in this Sublease. Subtenant agrees to comply with all rules and regulations that Master Landlord has made or may hereafter from time to time make for the Building and/or the Premises. Sublandlord shall not be liable to Subtenant or any party claiming through Subtenant in any way for damage caused by the failure of any of the other tenants of the Building to comply with such similar or other covenants in their leases or of such rules and regulations.

7. Insurance.

Subtenant shall obtain at its sole expense the insurance required under Section 14 of the Master Lease effective as of the Commencement Date. Additionally, Subtenant shall name Sublandlord and Master Landlord as additional insureds, in their capacity as Master Landlord and Sublandlord, and shall furnish Sublandlord on or before the Commencement Date with certificates of insurance from its insurer, with respect to such insurance, which certificates shall state that such insurance shall not be cancelled unless thirty (30) days prior written notice shall have been given to Master Landlord and Sublandlord.

8. Assignment and Subletting.

Subtenant shall not directly or indirectly, voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer or hypothecate any of its interest in or rights with respect to the Subdemised Premises or Subtenant's leasehold estate hereunder (collectively, "Assignment"), or permit all or any portion of the Subdemised Premises to be occupied by anyone (whether pursuant to a license, concession or otherwise) other than Subtenant or sublet all or any portion of the Subdemised Premises, without the prior written consent of Master Landlord and Sublandlord.

9. Alterations.

Subtenant shall not make or suffer to be made any alterations, additions or improvements to the Subdemised Premises, including, without limitation, those related to electrical cabling and/or systems, plumbing, data cabling, HVAC systems, or modifications to existing finishes, without the prior written consent of Master Landlord, as required under the Master Lease, and of Sublandlord. Additionally, Subtenant shall be subject to the standards for repairs and alterations set forth in the Master Lease.

10. Repairs and Maintenance.

10.1 Subtenant's Responsibility. Subtenant shall be responsible for the maintenance and repair of the Subdemised Premises in accordance with the provisions of the Master Lease.

10.2 Sublandlord's Responsibility. As between the parties to this Sublease, Sublandlord shall have no responsibility or liability to the Subtenant or anyone claiming through Subtenant, for the Subdemised Premises including, without limitation, the roof, roof covering, foundation, subfloors, building structural components, major building systems (plumbing, electrical and heating, air conditioning and ventilation systems), and exterior walls of the Subdemised Premises.

11. Default.

Subtenant shall be subject to the same default provisions as specified in Sections 17 and 18 and the applicable portions of Exhibit C of the Master Lease as if it were the tenant thereunder, and Sublandlord shall have all the remedies specified therein, as if it were Master Landlord, including, without limitation, the right to terminate the Sublease and right to perform Subtenant's obligations under this Sublease at Subtenant's cost. Notwithstanding the foregoing, Subtenant shall only be entitled to one-half (1/2) of the cure period for a default, if any, provided for under the Master Lease.

12. Indemnity.

In addition to such indemnities as may be provided for in the Master Lease, Subtenant agrees to indemnify and hold Sublandlord and its affiliates, officers, agents, servants, employees and independent contractors (individually a "Sublandlord Party" and collectively, "Sublandlord Parties") harmless against all loss, damage, liability, or expense suffered or claimed against any Sublandlord Party, by any person or entity (i) caused by or otherwise arising from, in whole or in part, any breach or default by Subtenant of any covenant or obligation it has hereunder (including but not limited to all covenants or obligations of the tenant under the Master Lease assumed by Subtenant pursuant to the terms of this Sublease), or (ii) caused by or in connection with anything owned or controlled by Subtenant, or (iii) resulting from any act, failure to act, or negligence of Subtenant or its employees, agents or invitees, or (iv) resulting from any nuisance suffered on the Subdemised Premises, except for damage or injury to third parties or property resulting from the proven gross negligence of Sublandlord, Landlord or their respective employees, agents, representatives, successors or assigns. Subtenant further agrees to indemnify Sublandlord and hold Sublandlord harmless from all losses, damages, liabilities and expenses which Sublandlord may incur, or for which Sublandlord may be liable to Master Landlord, arising from the acts or omissions of Subtenant which are or are alleged to be defaults of Sublandlord under the Master Lease or are the subject matter of any indemnity or hold

harmless of Sublandlord, as tenant, to Master Landlord under the Master Lease. The obligations of Subtenant to indemnify Sublandlord and/or the Sublandlord Parties and/or hold the Sublandlord and/or the Sublandlord Parties harmless in this Section 12 and elsewhere herein shall survive the expiration or other termination of this Sublease.

13. Master Lease.

13.1 Master Lease. Notwithstanding anything in this Sublease to the contrary, the rights of Subtenant shall be subject to and limited by the terms and conditions contained in the Master Lease between Sublandlord and Master Landlord as applicable to tenant thereunder, as they may be amended from time to time. Sublandlord shall have the right to amend the Master Lease from time to time without the consent of Subtenant provided that any such amendment shall not adversely affect Subtenant's ability to continue its then current operations in the Subdemised Premises, increase any of the rental or other payments required to be made by Subtenant hereunder or otherwise materially and adversely change Subtenant's rights and obligations hereunder. Sublandlord shall endeavor to give Subtenant notice of any amendment to the Master Lease, but the failure to give such notice shall not affect the validity of such amendment or its applicability to Subtenant, except that Subtenant shall have no obligation to comply with the terms of any such amendment until it has received a copy. Any rights granted to Subtenant herein which are limited by the Master Lease shall be deemed to be so limited by this Sublease.

13.2 No Violation. Notwithstanding anything in this Sublease to the contrary, Subtenant shall not commit or permit to be committed any act or omission which shall violate any term or condition of the Master Lease. Subtenant shall indemnify and hold harmless Sublandlord from and against any loss, liability, claim, cost or expense (including reasonable attorneys' fees) incurred by Sublandlord as a result of any termination or attempted termination by Sublandlord or Master Landlord of the Master Lease resulting from any such act or omission by Subtenant.

13.3 [Intentionally Deleted]

13.4 Termination of Master Lease. If the Master Lease terminates for any reason prior to the expiration or other termination of this Sublease, this Sublease shall terminate concurrently therewith without any liability of Sublandlord to Subtenant and, except for any Subtenant obligations hereunder arising on or prior to the termination of this Sublease, following Subtenant's surrender in compliance with Section 4.2 hereof, Subtenant's obligations hereunder shall terminate, except with respect to any indemnification or hold harmless obligations of Subtenant, which shall survive such termination.

13.5 Incorporation of Master Lease. Notwithstanding any other provision of this Sublease to the contrary, this Sublease and Subtenant's rights under this Sublease shall at all times be subject to all of the terms, covenants, and conditions of the Master Lease (a copy of which agreement, as currently in effect, Subtenant hereby represents that it has received), with the same force and effect as if fully set forth herein, and except as otherwise expressly provided for herein, Subtenant shall keep, observe and perform or cause to be kept, observed and performed, faithfully all those terms, covenants and conditions of Sublandlord as tenant under the Master Lease with respect to the Subdemised Premises. Except as otherwise provided hereby, the terms, conditions, rights and responsibilities of the Master Lease are incorporated herein by reference, and Sublandlord shall have the rights and responsibilities with respect to the Subtenant that the Master Landlord has with respect to Sublandlord

pursuant to the Master Lease, and Subtenant shall have the rights and responsibilities with respect to Sublandlord that Sublandlord has with respect to the Master Landlord pursuant to the Master Lease. However, to the extent that the Master Lease requires or obligates Master Landlord to maintain, repair, restore, or otherwise expend any money or take any action to preserve and maintain all or any portion of the Subdemised Premises or to furnish any services to the Subdemised Premises, such obligation shall not pass to Sublandlord by reason of this Sublease and shall remain with the Master Landlord. Subject to the first sentence of this Section 13.5, with respect to the relationship between the Sublandlord and the Subtenant, the terms, covenants and conditions of this Sublease shall control with respect to any conflict or inconsistency between the terms, covenants and conditions contained herein and the terms, covenants and conditions of the Master Lease. Notwithstanding the foregoing, the following sections of the Master Lease are hereby excluded from application to or incorporation within this Sublease: Sections 4(a), 4(d), 4(e), 6, 19, 21, 23(h), 23(j) and 24, as well as provisions contained in Exhibit C which pertain to the matters dealt with in the referenced provisions.

14. Parking.

Parking spaces (if any) shall be used in accordance with the terms of the Master Lease, particularly Section 25 to the Master Lease. Sublandlord makes no representation or warranty concerning the availability of parking spaces, whether free of charge or otherwise.

15. Security Deposit.

Upon execution of this Sublease, Subtenant shall deposit with Sublandlord the sum of Six Thousand Four Hundred, Thirteen Dollars and Eighty Cents (\$6,413.80) as a security deposit either in cash or in the form of a Letter of Credit acceptable to and approved by Sublandlord, for the performance by Subtenant of the provisions of this Sublease (the "Security Deposit"). Sublandlord shall have the right but not the obligation to use the Security Deposit, or any portion thereof, to cure any breach or default of Subtenant or to compensate Sublandlord for damages sustained as a result of any breach or default by Subtenant hereunder. In the event Sublandlord in its sole discretion so utilizes all or a portion of the Security Deposit from time to time, Subtenant shall within five (5) days of notice from Sublandlord restore the Security Deposit to its original amount. If no breach or default of Subtenant exists and no amounts are owing from Subtenant to Sublandlord as of the expiration of the Term, Sublandlord shall return any Security Deposit then held by Sublandlord to Subtenant within sixty (60) days of such expiration.

16. Brokers.

Subtenant represents that it has dealt with no broker or agent in connection with this Sublease and Subtenant shall hold Sublandlord harmless from any and all liability, loss, damage, expense, claim action, demand, suit or obligation arising out of or relating to a breach by Subtenant of such representation.

17. Counterparts.

This Sublease may be executed in one or more counterparts, each of which shall constitute one and the same instrument.

18. Governing Law.

This Sublease shall be governed by and construed and enforced in accordance with the laws of the State of Nebraska, except with respect to the choice-of-law provisions thereof.

19. Waivers; Amendments.

No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Sublease may be waived if, but only if, such waiver is in writing and is signed by the party against whom the enforcement of such waiver is sought. No waiver of any provision of this Sublease, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such provision. This Sublease may not be amended, modified or supplemented other than by a written instrument signed by each party hereto.

20. Entire Agreement.

This Sublease constitutes the entire agreement and understanding among the parties hereto and supercedes any and all prior agreements and understandings, written or oral, relating to the subject matter hereof.

21. Severability.

Any term or provision of this Sublease which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Sublease or affecting the validity or enforceability of any of the terms or provisions of this Sublease in any other jurisdictions, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Signature page follows]

IN WITNESS WHEREOF, this Sublease shall be deemed to have been executed and delivered as of the date first set forth above.

SUBLANDLORD:

THE TITAN CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

SUBTENANT:

SUREBEAM CORPORATION, a Delaware
corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF SUBDEMISED PREMISES

[See attached.]