

**WHEN RECORDED, MAIL TO:**  
U.S. Bank of Nevada  
Commercial Services Group  
200 S. Virginia Street  
P.O. Box 171  
Reno, Nevada 89501-0171

**SUBORDINATION, ATTORNMENT AND  
NON-DISTURBANCE AGREEMENT**

**THIS AGREEMENT** is made as of the 6th day of July, 1993, by and between **U.S. BANK OF NEVADA**, a Nevada state-chartered commercial bank ("Lender"), and **AERVOE PACIFIC COMPANY, INC.**, a Nevada corporation ("Tenant"), with the consent of **DAVID A. WILLIAMS**, a single man ("Landlord").

**R E C I T A L S :**

A. Tenant, by lease dated 4-1-89, 1993, has leased a portion of the real property (the "Property") in Douglas County, Nevada, described in **Exhibit "A"** attached hereto and by this reference made a part hereof.

B. Landlord has requested Lender to make a loan in the principal amount of \$750,000.00 (the "Loan"), secured by Deed of Trust (the "Deed of Trust") encumbering the Property, including the portion thereof leased to Tenant (the "Premises").

C. Lender is willing to make the loan provided Landlord and Tenant execute this Agreement.

**A G R E E M E N T :**

**NOW, THEREFORE, IN CONSIDERATION** of the mutual covenants and agreements herein contained, and in order to induce Lender to make the Loan, Tenant and Lender hereby agree and covenant as follows:

1. **Non-Disturbance.** So long as no default exists, nor any event has occurred which has continued to exist for such period of time (after notice, if any, required by the Lease) as would entitle the Landlord under the Lease to terminate the Lease or would cause, without any further action of Landlord, the termination of the lease or would entitle Landlord to dispossess the Tenant thereunder, the Lease shall not be terminated, nor shall the Tenant's use, possession, or enjoyment of the leased premises be interfered with, nor shall the leasehold estate granted by the Lease be affected in any other manner in any foreclosure, or any action or proceeding instituted under or in any connection with the Deed of Trust, or in case the Beneficiary of the Deed of Trust takes possession of the premises subject to the Deed of Trust pursuant to any provision of the Deed of Trust, unless the Landlord would have had the right if the Deed of Trust had not been

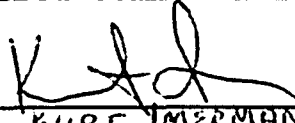
made, except that the person acquiring the interests of the Landlord as a result of any action or proceeding, or by deed in lieu of foreclosure, his successors or assigns (herein called the "Purchaser"), shall not be (a) liable for any act or omission of any prior landlord; or (b) subject to any offsets or defenses which Tenant might have against any prior landlord; or (c) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord; or (d) bound by any amendment or modification of the Lease made without the prior written consent of the Beneficiary of the Deed of Trust.

2. **Attornment.** If the interests of the Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of the Deed of Trust, Tenant shall be bound to the Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be affected in accordance with any option therefor in the Lease, with the same force and effect as if the Purchaser were the Landlord under the Lease, and Tenant does hereby attorn to the Purchaser, as its landlord, the attornment to be effective and self-operative without the execution of any further instruments upon Purchaser succeeding to the interest of the Landlord under the Lease. The respective rights and obligations of Tenant and Purchaser upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein except as herein otherwise expressly provided.

3. **Subordination.** The Lease now is and shall at all times continue to be, subject and subordinate in each and every respect to the Deed of Trust and to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Deed of Trust.

4. **Modification; Successors.** This Agreement may not be modified orally or in any manner other than by agreement in writing signed by the parties, or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

U.S. BANK OF NEVADA, a Nevada state-chartered commercial bank,

By:   
KURT TMERMAN  
Its: Vice President

"Lender"



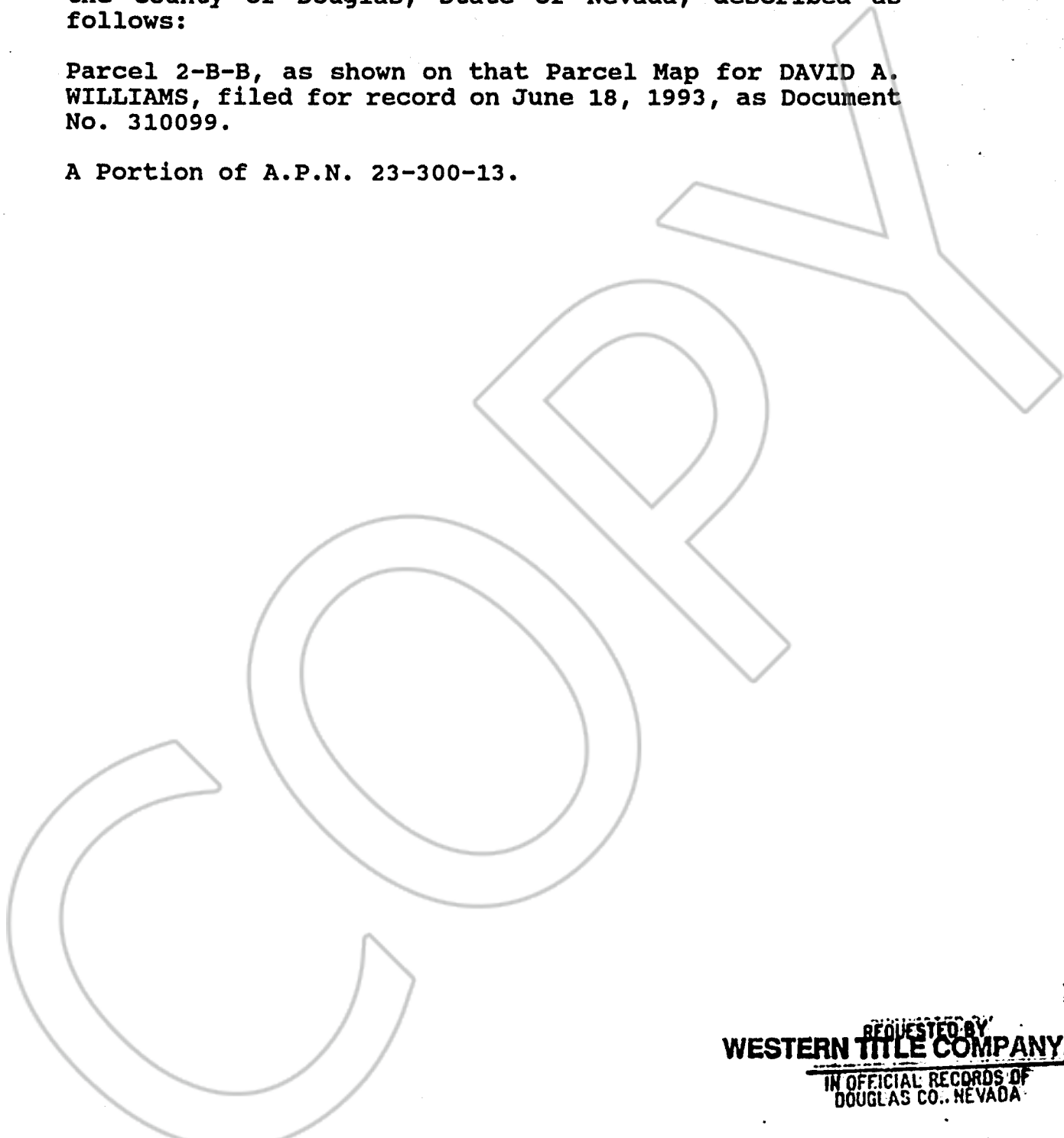
**EXHIBIT "A"**

**LEGAL DESCRIPTION**

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Parcel 2-B-B, as shown on that Parcel Map for DAVID A. WILLIAMS, filed for record on June 18, 1993, as Document No. 310099.

A Portion of A.P.N. 23-300-13.



REQUESTED BY  
**WESTERN TITLE COMPANY, INC**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

**93 JUL 15 P 1 01**

SVN\87400053\LEGAL

**312503**

Hale, Lane, Peek, Dennison and Howard  
Attorneys and Counsellors at Law  
Reno, Nevada  
(702) 786-7900

**BK0793PG2714**

SUZANNE BEAUDREAU  
RECORDER

*800* PAIU *K2* DEPUTY