

WHEN RECORDED RETURN TO:

Nevada State Development Corp.
350 S. Center Street, Suite 310
Reno, Nevada 89501

**ASSIGNMENT OF LEASE FOR SECURITY
AND
SUBORDINATION**

IN ORDER to induce NEVADA STATE DEVELOPMENT CORPORATION to make a loan or loans to the Lessor identified below, the undersigned, jointly and severally, hereby ASSIGN, SELL AND TRANSFER unto NEVADA STATE DEVELOPMENT CORPORATION ("Assignee") all their right, title and interest and to that certain Lease dated July 1, 1996, by and between them to the premises more particularly described on Exhibit "A" attached hereto, and, by reference, made a part hereof, together with the right in Assignee to receive and take all rents, issues and profits derived therefrom, which assignment and right, however, Assignee agrees not to enforce during such time as the indebtedness owed by the undersigned, or either of them, to Assignee is not in default.

Lessee hereby agrees, warrants and covenants that the aforesaid Lease, and Lessee's interest therein, are and shall be at all times subject and subordinate to the Deed of Trust encumbering the real property described on Exhibit "A" attached hereto for the benefit of NEVADA STATE DEVELOPMENT CORPORATION, its successors and assigns, and to any renewals, modifications, or extensions of said Deed of Trust. By reason of such subordination, of the interest of Lessor shall be acquired by NEVADA STATE DEVELOPMENT CORPORATION or by any other person ("Purchaser") by foreclosure or other proceedings brought to enforce the rights of the holder of the aforesaid Deed of Trust, by deed in lieu of foreclosure, or by any other method, Lessee agrees and acknowledges that the Lease may be terminated regardless of the term thereof or, at the option of Purchaser, the Purchaser may succeed to the interest of the Lessor under the Lease and Lessee shall be bound to Purchaser under all of the terms, conditions and covenants of the Lease for the balance of the term thereof, and any extensions and renewals thereof, with the same force and effect as if Purchases were the original lessor under the Lease and, in the event of the exercise of such option, Lessee does hereby attorn to Purchaser as its lessor and Purchaser agrees to accept such attornment which shall be deemed self-operative without the execution of any

399507**BK 1096 PG 4356**

other instrument provided, however, Purchaser shall not be liable or responsible to Lessee for any damages sustained by Lessee by reason of any default or acts by Lessor Prior to the date of such attornment.

DATED October 22, 1996.

LESSEE:

SANDR NEVADA, INC.,
a Nevada corporation

By [Signature]
HAROLD PARKS, President

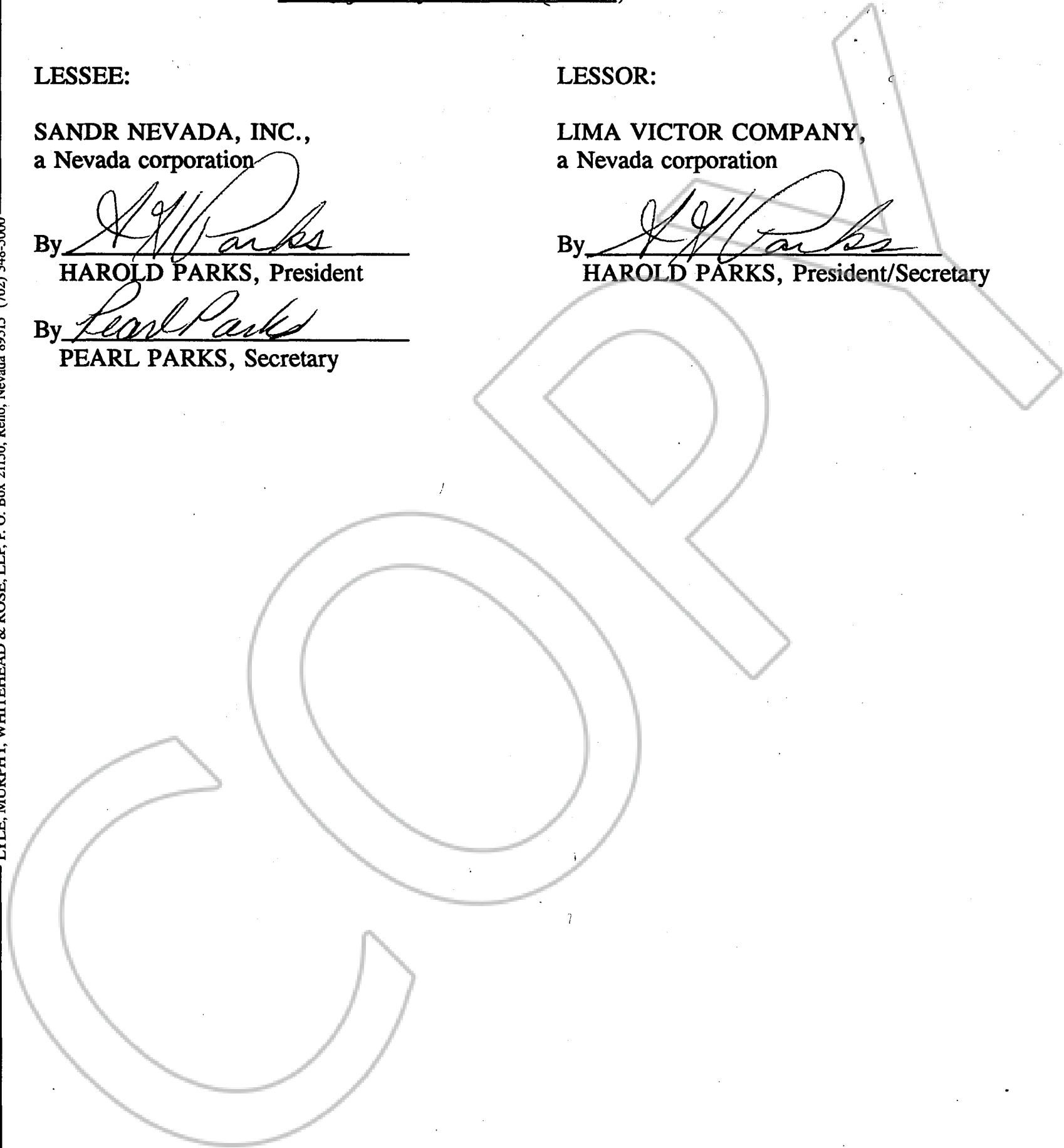
By [Signature]
PEARL PARKS, Secretary

LESSOR:

LIMA VICTOR COMPANY,
a Nevada corporation

By [Signature]
HAROLD PARKS, President/Secretary

LYLE, MURPHY, WHITEHEAD & ROSE, LLP, P. O. Box 21150, Reno, Nevada 89515 (702) 348-5000



399507
BK 1096PG4357

STATE OF NEVADA)
) ss.
COUNTY OF Douglas)

This instrument was acknowledged before me on October 22, 1996, by HAROLD PARKS and PEARL PARKS, as President and Secretary, respectively, of SANDR NEVADA, INC., a Nevada corporation.



KAREN SZACHARA
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 91-2588-2 - EXPIRES NOV. 5, 1999

Karen Szachara
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF Douglas)

This instrument was acknowledged before me on October 22, 1996, by HAROLD PARKS, as President/Secretary of LIMA VICTOR COMPANY, a Nevada corporation.

Karen Szachara
NOTARY PUBLIC



KAREN SZACHARA
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 91-2588-2 - EXPIRES NOV. 5, 1999

EXHIBIT A

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

Being a portion of Lot 1 Block A as set forth in CARSON VALLEY BUSINESS PARK, PHASE 1, filed in the Office of the County Recorder of Douglas County, State of Nevada, on September 21, 1993 in Book 993 at Page 3579 as Document No. 318019 and further described as follows:

Unit 4A, 4B, AND 4C, as set forth on the Amended Record of Survey for the WHITTINGTON BUSINESS CENTER, filed for record in the Office of the County Recorder of Douglas County, State of Nevada on June 10, 1996 in Book 696 at Page 1563 as Document No. 389746.

Together with an undivided 3/18th interest in and to the common area shown as Parcel 7 as set forth on the Amended Record of Survey for the WHITTINGTON BUSINESS CENTER, filed for record in the Office of the County Recorder of Douglas County, State of Nevada on June 10, 1996 in Book 696 at Page 1563 as Document No. 389746.

A.P.N.'S 23-600-29, 30, and 31

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

'96 OCT 24 P12:18

LINDA SLATER
RECORDER
\$10⁵⁰ PAID *KD* DEPUTY

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BK 1096 PG 4359