

WHEN RECORDED, MAIL TO:

U.S. Bank
Nevada Corporate Banking North
1 East Liberty St., 2nd Floor
Reno, Nevada 89501

P75058JC

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

THIS AGREEMENT is made as of the 18 day of September, 1997, by and between **U.S. BANK** ("Lender"), and **AERVOE-PACIFIC COMPANY, INC.**, a Nevada corporation ("Tenant"), with the consent of **W.R. TECHNOLOGY PARK, L.L.C.** a Nevada limited liability company ("Landlord").

RECITALS:

A. Tenant, by lease dated January 1, 1997, 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 (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.

AGREEMENT:

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 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

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Hale, Lane, Peek, Dennison, Howard, Anderson and Pearl
Attorneys and Counsellors at Law
Las Vegas, Nevada
(702)362-5118

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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

By: 
KURT J. MERMAN
Its: Senior Vice President

"Lender"

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Hale, Lane, Peek, Dennison, Howard, Anderson and Pearl
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Las Vegas, Nevada
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AERVOE-PACIFIC COMPANY, INC.,
a Nevada corporation

By: David A. Williams
DAVID A. WILLIAMS

Its: President

"Tenant"

W.R. TECHNOLOGY PARK, L.L.C.
a Nevada limited liability company

By: David A. Williams
DAVID A. WILLIAMS

Its: Managing Partner

"Landlord"

STATE OF NEVADA)
)ss.
COUNTY OF Washoe)

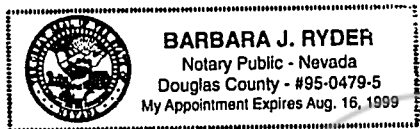
This instrument was acknowledged before me on September 17, 1997, by Kurt Inerman, as Senior Vice President of U.S. Bank.



Marilyn R. Butler
Notary Public
My Commission Expires: April 15, 1998

STATE OF NEVADA)
)ss.
COUNTY OF DOUGLAS)

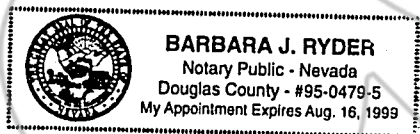
This instrument was acknowledged before me on September 17, 1997, by DAVID A. WILLIAMS, as PRESIDENT of AERVOE-PACIFIC COMPANY, INC.



Barbara J. Ryder
Notary Public
My Commission Expires: 8-16-99

STATE OF NEVADA)
)ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on September 17, 1997, by DAVID A. WILLIAMS, as MANAGING PARTNER OF W.R. TECHNOLOGY PARK, L.L.C.



Barbara J. Ryder
Notary Public
My Commission Expires: 8-16-99

4.

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Attorneys and Counsellors at Law
Las Vegas, Nevada
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DESCRIPTION

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

PARCEL 1:

A parcel of land located within a portion of Section 11, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada described as follows:

Commencing at the Northwest corner of Parcel 2-A as shown on the Record of Survey for David A. Williams and recorded in Book 688, page 1649 as Document No. 179858, Douglas County, Nevada Recorder's Office, THE POINT OF BEGINNING; thence South 89°40'54" East, 369.79 feet; thence South 00°05'35" West, 296.00 feet; thence South 89°40'54" East, 442.00 feet; thence South 00°05'35" West, 228.83 feet; thence South 89°40'54" East, 457.33 feet; thence South 00°08'03" West, 798.07 feet; thence North 89°46'46" West, 1277.21 feet; thence North 00°28'03" East, 1325.08 feet, to THE POINT OF BEGINNING.

Said parcel is shown as Parcel 2-A on the record of survey for David A. Williams, Recorded in the office of the County Recorder, Douglas County, Nevada on March 7, 1989 in Book 389, Page 620, as Document No. 197601.

EXCEPTING therefrom any land lying within Parcel 2-B-B as shown on the Parcel Map for DAVID A. WILLIAMS, recorded in the Office of the County Recorder, Douglas County, Nevada, June 18, 1993, in Book 693, Page 3866 as Document No. 310099.

Said parcel being further described as Adjusted Parcel 2-A as shown on Record of Survey #3 to accompany a Lot Line Adjustment for DAVID A. WILLIAMS, recorded March 11, 1993, in Book 393 at Page 2212, as Document No. 301710.

A.P.N. 23-300-14

PARCEL 2:

A parcel of land located within a portion of Section 11, Township 12 North, Range 20 East, M.D.B. & M., Douglas County, Nevada described as follows:

Parcels 2-B-A and 2-B-B as shown on the Parcel Map for DAVID A. WILLIAMS, recorded in the Office of the County Recorder, Douglas County, Nevada, June 18, 1993, in Book 693 at Page 3866, as Document No. 310099.

A.P.N. 23-300-16
23-300-17

PARCEL 3:

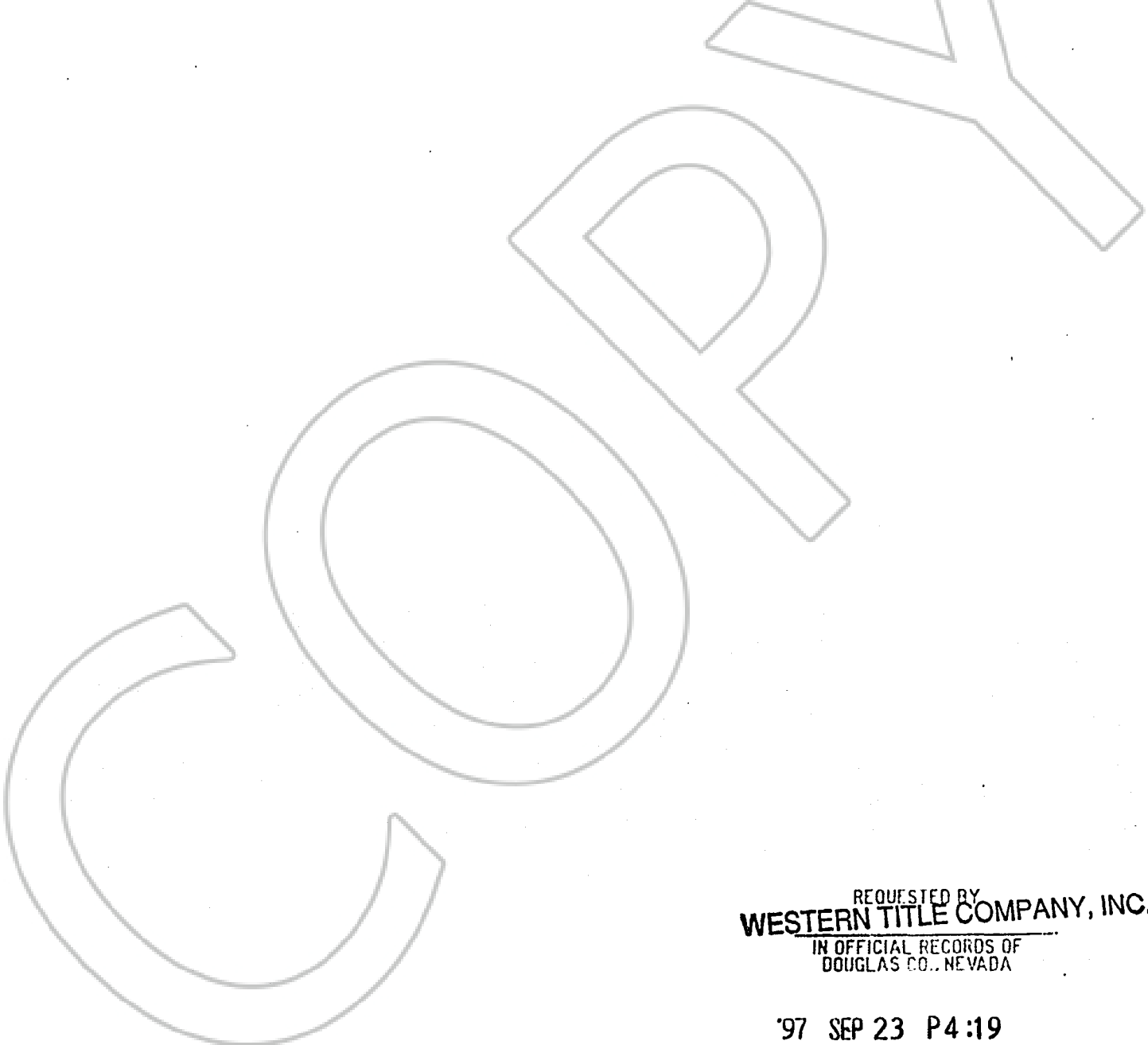
A parcel of land located within a portion of Section 2, Township 12 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, described as follows:

(Continued)

Commencing at the Northwest corner of Parcel 2-A, as shown on the Record of Survey for DAVID A. WILLIAMS and recorded in Book 688, Page 1649, as Document No. 179858, Douglas County, Nevada, Recorder's Office, THE TRUE POINT OF BEGINNING; thence North 00°30'01" West, 1322.24 feet; thence South 89°42'37" East, 1283.26 feet; thence South 00°05'24" West, 1292.75 feet; thence North 89°40'54" West, 140.00; thence South 00°05'24" West, 30.00 feet; thence North 89°40'54" West, 1129.50 feet, to THE POINT OF BEGINNING.

Said parcel is shown as Parcel 21 on the Record of Survey for DAVID A. WILLIAMS, recorded in the Office of the County Recorder, Douglas County, Nevada, on March 7, 1989, in Book 389, Page 620, as Document No. 197601.

A.P.N. 23-484-26



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

'97 SEP 23 P4:19

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LINDA SLATER
RECORDER
\$12⁰⁰ PAID *K2* DEPUTY