

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:  
Omni Bank, N.A.

M 76452 KK

111 N. ATLANTIC BLVD.  
MONTEREY PARK, CA 91754

Attn: NOTE DEPARTMENT

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENMENT AGREEMENT

NOTICE THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT  
AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE  
PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN  
HE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT is entered into as of the 25TH day of JUNE, 19 98 by and among

METALAST INTERNATIONAL, LLC AND METALAST ("Tenant") AL SHANKLE CONSTRUCTION CO.  
INTERNATIONAL, INC., ("Landlord") and Omni Bank, N.A. ("Beneficiary").  
ITS MANAGER

RECITALS

This agreement is entered into with reference to the following facts:

- a. This Agreement effects the Property described in Exhibit "All attached hereto.
- b. The terms "Tenant," "Landlord," "Beneficiary," "Premises," "Lease," "Property," "Loan," "Note," and "Mortgage" are defined in the Schedule of Definitions attached hereto as Exhibit "B".
- c. Landlord and Tenant have entered into the Lease covering the Premises in the property.
- d. Beneficiary will not make or continue the Loan to the Landlord evidenced by the Note, which Note is secured by the Mortgage covering the Property, unless the Lease is subordinated to the lien of the Mortgage.
- e. The parties hereto desire expressly to confirm the subordination of the Lease to the lien of the Mortgage, it being a condition precedent to Beneficiary's obligation to make or continue the Loan that the lien of the Mortgage be at all times prior and superior to the leasehold interests and estates created by the Lease.
- f. Tenant has requested that Beneficiary agree not to disturb Tenant's possessory rights in the Premises in the event Beneficiary should foreclose the Mortgage and, provided that Tenant is not then in default under the Lease and provided further that Tenant attorns to Beneficiary or the purchaser at any foreclosure or trustee's sale of the Property, Beneficiary is willing to agree to such request.

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AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants contained herein and of other good and valuable consideration, the parties agree as follows:

1. Subordination

Anything to the contrary in the Lease notwithstanding, the Lease and the leasehold estate created thereby, and all of Tenant's rights thereunder, are and shall be and shall at all times remain subject, subordinate and inferior to the Mortgage and the lien thereof, and all rights of Beneficiary thereunder and to any and all renewals, revisions, modifications, consolidations, Replacements and extensions thereof.

2. Acknowledgment and Agreement by Tenant  
Tenant acknowledges and agrees that:

- a. Tenant consents to the Mortgage and the agreements evidencing and securing the loan; and
- b. Beneficiary, in making or having made any disbursements to Landlord, is or was under no obligation or duty to oversee or direct the application of the proceeds of such disbursements, and such proceeds may be or may have been used by Landlord for purposes other than improvement of the Property.
- c. From and after the date hereof, in the event of any act or omission by Landlord which would give Tenant the right, either immediately or after the lapse of time, to terminate the Lease or to claim a partial or total eviction, Tenant will not exercise any such right:
  - (i) until it has given written notice of such act or omission to Beneficiary; and
  - (ii) until the same period of time as is given to Landlord under the Lease to cure such act or omission and an additional period of time of thirty (30) days for a monetary default or, for any other default, the number of days reasonable required for Beneficiary to obtain possession of the property and to cure such default, shall have elapsed following Beneficiary's receipt of such notice.

- d. Tenant has notice that the Lease and the rent and all other sums due thereunder have been assigned or are to be assigned to Beneficiary as security for the Loan secured by the Mortgage. In the event that Beneficiary notifies Tenant of a default under the Mortgage and demands that Tenant pay its rent and all other sums due under the Lease directly to Beneficiary, Tenant shall honor such demand and pay its rent and all other sums due under the Lease directly to Beneficiary or as otherwise required pursuant to such notice.
- e. Tenant shall send a copy of any notices given Landlord under the Lease to Beneficiary at the same time such notice is sent to Landlord.
- f. Tenant has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Premises or the Property, or any portion thereof or any interest therein, and to the extent that Tenant has had, or hereafter acquires, any such right or option, the same is hereby acknowledged to the subject and subordinate to the Mortgage and is hereby waived and released as against Beneficiary.
- g. Within ten (10) days after Beneficiary's request, Tenant shall deliver to Beneficiary and to any person designated by Beneficiary estoppel certificates executed by Tenant, in recordable form, certifying (if such be the case) that the Lease is in full force and effect, the date and amount of Tenant's most recent payment of rent, that there are no defenses or offsets outstanding under the Lease (or stating those claimed by Tenant, as the case may be) and such other information about Tenant or the Lease as Beneficiary may reasonable request.
- h. This Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement from this Beneficiary.
- i. Tenant shall not agree to any amendment or modification of the Lease without Beneficiary's prior written consent, which consent may be given or withheld at Beneficiary's absolute discretion.
- j. Tenant shall not assign or sublet the Lease or Premises without Beneficiary's prior written consent, which consent may be given or withheld at Beneficiary's absolute discretion.

3. Nondisturbance. Attornment and New Lease

In the event of foreclosure of the Mortgage, or upon a sale of the Property pursuant to the trustee's power of sale contained therein, or upon a transfer of the Property by conveyance in lieu of foreclosure, then:

a. Nondisturbance and Attornment So long as Tenant complies with this Agreement and is not in default under any of the terms, covenants, or conditions of the Lease, the Lease shall continue in full force and effect as a direct lease between the succeeding owner of the Property and Tenant, upon and subject to all of the terms, covenants and conditions of the Lease (except as may be set forth in Exhibits "C" and "D" attached hereto) for the balance of the term of the Lease, including renewals or extensions thereof, if any. Tenant hereby agrees to attorn to and accept any such successor owner as landlord under the Lease, and to be bound by and perform all of the obligations imposed on Tenant by the Lease, and Beneficiary and any such successor owner of the Property will not disturb the possession of Tenant, and will be bound by all of the obligations imposed on the Landlord by the Lease during the period of time Beneficiary or any such successor owner is the owner of the Property (except as set forth in Exhibits "C" and "D" attached hereto), provided, however, that Beneficiary, or any purchaser at a trustee's or sheriff's sale or any successor owner of the property, shall not be:

- (i) liable for any act or omission of a prior landlord (including Landlord); or
- (ii) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); or
- (iii) bound by any rent or additional rent which Tenant might have paid in advance to any prior landlord (including Landlord) for a period in excess of one month or by any security deposit, cleaning deposit or other prepaid charge which Tenant might have paid in advance to any prior landlord (including Landlord); or
- (iv) bound by any amendment or modification of the Lease made without Beneficiary's written consent.

b. New Lease Upon Beneficiary's written request of Tenant given at any time after any foreclosure, trustee's sale or conveyance in lieu thereof, Tenant (as tenant) agrees to execute a lease of the Premises with Beneficiary or its successor (as landlord) upon the same terms and conditions as the Lease between Landlord and Tenant, (with the changes set forth in Exhibits "C" and "D" attached hereto), which lease shall cover any unexpired term of the Lease existing at the time of such foreclosure, trustee's sale or conveyance in lieu of foreclosure; provided that the priority of such new lease, as between the parties thereto, is the same as the priority of the Lease, as between Tenant and Beneficiary.

- c. The provisions of the Lease set forth in Exhibit "C", if any, shall be of no force or effect and shall not be binding upon Beneficiary or any purchaser or transferee acquiring the Property as a result of such foreclosure, trustee's sale or conveyance in lieu thereof, and in the event of such foreclosure, trustee's sale or conveyance in lieu thereof, the provisions set forth in Exhibit I'D, if any, shall be added to the Lease and shall be effective and binding upon Tenant.
- d. Beneficiary shall have no liability to Tenant or any other party for any conflict between the provisions of the Lease and the provisions of any other lease or agreement affecting the Property which arose before Beneficiary became landlord, including, but limited to, any provisions relating to renewal options and options to expand, and in the event of such a conflict, Tenant has and will have no right to cancel the Lease or take any other remedial action against Beneficiary or action against any other party for which Beneficiary would be liable.

4. Acknowledgment and Agreement by Landlord

Landlord, as landlord under the Lease and mortgagor or trustor under the Mortgage, acknowledges and agrees for itself and its heirs, successors and assigns, that:

- a. This Agreement does not: (1) constitute a waiver by Beneficiary of any of its rights under the Mortgage; and/or (2) in any way release Landlord from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Mortgage.
- b. The provisions of the Mortgage remain in full force and effect and must be complied with by Landlord.
- c. In the event Beneficiary notifies Tenant of a default under the Mortgage, Tenant may pay all rent all other sums due under the Lease directly to Beneficiary or as otherwise require pursuant to Beneficiary's notice, and any and all claims for such rent and other sums by Landlord against Tenant are hereby waived and released.
- d. Landlord shall not agree to any amendment or modification of the Lease without Beneficiary's prior written consent, which consent may be given or withheld at Beneficiary's absolute discretion.
- e. Landlord shall not consent to any assignment or subletting of the Lease or Premises without Beneficiary's prior written consent, which consent may be given or withheld at Beneficiary's absolute discretion.

*AS*

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement at WYCLIFF county, Nevada California, as of the day and year first above written.

NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT CONTAINS PROVISIONS WHICH ALLOWS THE PERSON OBLIGATED ON THE LEASE TO OBTAIN OR CONTINUE A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER THAN IMPROVEMENT OF THE PROPERTY.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

BENEFICIARY:

~~Omni Bank, N.A.~~

TENANT:

DAVE SEMUS

By: *[Signature]*  
METALAST INTERNATIONAL, LLC AND METALAST INTERNATIONAL, INC., ITS MANAGER  
a Nevada Corporation

BENEFICIARY :

By: *[Signature]*  
OMNI BANK, N. A. (Title)  
By: *[Signature]*  
Garry Potter (Title)  
Vice President

LANDLORD:

AL SHANKLE CONSTRUCTION CO.  
a \_\_\_\_\_  
By: *[Signature]*  
A. R. SHANKLE AKA (Title)  
ALBERT R. SHANKLE, CHIEF EXECUTIVE OFFICER  
By: *[Signature]*

(Complete/Attach Acknowledgments)

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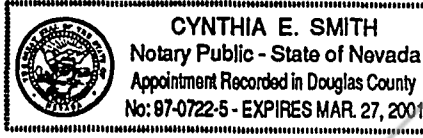
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of ~~California~~ Nevada  
County of Douglas } ss.

On June 22, 1998, before me, Cynthia E. Smith Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared A. R. Shankle  
Name(s) of Signer(s)

personally known to me  
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.  
Cynthia E. Smith  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

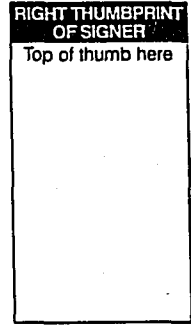
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



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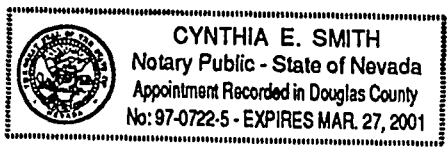
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of ~~California~~ NEVADA  
County of Douglas } ss.

On June 22, 1998, before me, Cynthia E Smith Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Dave Semus  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.  
Cynthia E Smith  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

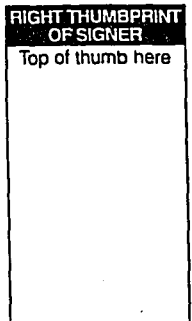
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

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# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

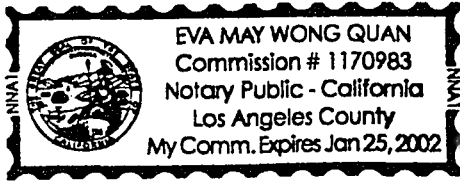
County of Los Angeles } ss.

On June 25, 1998, before me, Eva May Wong Quan  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Garry Potter  
Name(s) of Signer(s)

- personally known to me  
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Eva May Wong Quan  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

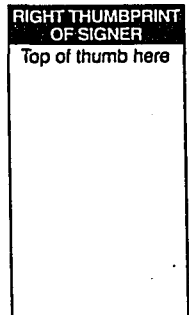
Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



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COPY

COPY

Exhibit "A"  
Property Description

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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 the Southwest one-quarter (SW 1/4) of Section 8, Township 13 North, Range 20 East, Mount Diablo Meridian, Douglas County, Nevada described as follows:

Parcel "C" as shown on that certain Record of Survey for Al Shankle and the Jager 1988 family Trust recorded as Document No. 344389, further described as follows:

Commencing at a found 5/8" rebar and plastic cap stamped R.L.S. 1586 at the Southeast corner of Parcel "F" per said Record of Survey; thence North 17°56'15" West, 160.73 feet to THE POINT OF BEGINNING; thence West, 80.00 feet;  
thence North 39.00 feet;  
thence North 45°00'00" East, 16.97 feet;  
thence East, 68.00 feet;  
thence South, 51.00 feet to THE POINT OF BEGINNING.

The Basis of Bearing for this description is the East line of Parcel "F" as shown on said Record of Survey.

**PARCEL 2:**

An Easement for ingress, egress and public utilities as set forth in Document recorded August 31, 1994, in Book 894, at Page 5863, as Document No. 345267.

A.P.N. 23-552-10

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SCHEDULE OF DEFINITIONS

"Beneficiary" means Omni Bank, N.A., A Federally Chartered Commercial Banking Association. All notices to Beneficiary shall be delivered or mailed to:

Omni Bank, N.A.

111 N. ATLANTIC BLVD.

MONTEREY PARK, CA 91754

Attention: NOTE DEPARTMENT

"Mortgage" means a Deed of Trust dated as of JUNE 25, 1998, encumbering the Property, executed by Landlord, as Trustor to Omni Bank, N.A., as Trustee, in favor of Beneficiary, securing repayment of the Loan evidenced by the note and securing certain other obligations, recorded or to be recorded in Official Records of DOUGLAS County, California.

"Landlord" means AL SHANKLE CONSTRUCTION CO., having offices at 4214 E. LA PALMA AVENUE, ANAHEIM, CA 92807

"Lease" means a certain lease entered into by and between Landlord and Tenant dated as of FEBRUARY 9, 1995, covering the Premises.

"Loan" means a first mortgage COMMERCIAL REAL ESTATE loan in an amount not to exceed \$300,000.00 from Beneficiary to Landlord.

"Note" means that certain Note executed by Landlord in favor of Beneficiary dated as of JUNE 25, 1998, in the amount of \$300,000.00.

"Premises" means certain space consisting 5969 SQUARE FEET in the improvements located in and upon the Property.

"Property" means the real property commonly known as 2241 PARK PLACE, UNIT C, MINDEN, NEVADA 89423 and more particularly described in Exhibit "All to the Agreement to which this Schedule is attached, together with the improvements thereon.

"Tenant" means METALAST INTERNATIONAL, LLC AND METALAST INTERNATIONAL, INC., ITS MANAGER, having offices at 2241 PARK PLACE, UNIT C, MINDEN, NEVADA 89423

Exhibit "B"

SCHEDULE OF INAPPLICABLE LEASE PROVISIONS

In the event of foreclosure of the Mortgage, or upon a sale of the Property pursuant to the Trustee's power of sale contained therein, or upon a transfer of the Property by conveyance in lieu of foreclosure, the provisions of the Lease set forth below, if any, shall be of no force or effect:

EXHIBIT  
COPY

Exhibit "C"  
Inapplicable Lease Provisions

SCHEDULE OF ADDITIONAL LEASE PROVISIONS

In the event of foreclosure of the Mortgage, or upon a sale of the Property pursuant to the trustees power of sale contained therein, or upon a transfer of the Property by conveyance in lieu of foreclosure, the provisions set forth below, if any, shall be added to the Lease and shall be effective and binding:

COPY

EXHIBIT I'D"  
Additional Lease Provisions

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

'98 JUN 29 P12:27

-11-

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LINDA SLATER  
RECORDER  
\$20.00 PAID ka DEPUTY