

WHEN RECORDED, RETURN TO:

NEVADA STATE BANK  
CLSD-3800 VS1 Department  
P.O. Box 990  
Las Vegas, Nevada 89125-0990

## ASSIGNMENT OF LEASEHOLD ESTATE SUBLEASE AGREEMENT FOR SECURITY

THIS ASSIGNMENT OF LEASEHOLD ESTATE SUBLEASE AGREEMENT FOR SECURITY (this "Assignment") is made and entered this 13<sup>th</sup> day of March, 2001 by and between John P. Marsalis ("Borrower") and NEVADA STATE BANK ("Lender")

A. Pursuant to the Promissory Note dated the Closing Date in which Borrower appears as "Borrower" and Lender appears as "Lender" and which is in the original principal amount of **ONE HUNDRED FORTY FIVE THOUSAND FIVE HUNDRED and NO/100ths DOLLARS** (\$145,500.00) (the "Note"), and pursuant to the Business Loan Agreement dated the Closing Date wherein Borrower appears as "Borrower" and Lender appears as "Lender" (the "Loan Agreement") and pursuant to the Deed of Trust dated the Closing Date wherein Borrower appears as "Trustee" and Lender appears as "Beneficiary" (the Deed of Trust) Lender has loaned the proceeds of the Note to Borrower. Unless otherwise defined in this Assignment, capitalized terms used in this Assignment shall have the meanings set forth in the Business Loan Agreement.

B. Under Date of February 20, 2001 by and between Monolith Enterprises, Inc., a Nevada Corporation, referred to as Sublessor (Sublessor) and Borrower, John P. Marsalis, referred to as Owner (Owner) entered into a Leasehold Estate Sublease Agreement (Leasehold Estate Sublease Agreement) which was recorded in the official records of Douglas County, Nevada in Book *0301*, at page *4071*  
*Document No 510544*

C. The Leasehold Estate Sublease Agreement covers certain property located in Douglas County, State of Nevada, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

D. Lender desires to further secure the Note with an assignment of Borrower's interest in the Leasehold Estate Sublease Agreement.

NOW, THEREFORE, for good and valuable consideration received, with intent to be legally bound hereby, and as an inducement for the making of the loan evidenced and secured as hereinafter described, Borrower hereby assigns and transfers unto Lender for security all the right, title, and interest of Borrower in and to the Leasehold Estate

Sublease Agreement, together with all extensions, renewals, modifications or replacements thereof, as well as all guaranties of Borrower's obligations under any provisions thereof and under any and all extensions and renewals thereof (hereinafter collectively referred to as the "Leasehold Estate Sublease Agreement") This Assignment shall inure to the benefit of Lender, its successors and assigns as security for the payment of the principal and interest provided to be paid in or by the Note, and the performance of the agreements of Borrower contained in any other document evidencing, securing, or relating to the disbursal or administration of the proceeds of the Note (all of which agreements and obligations are hereinafter collectively referred to as the "Obligation").

Borrower agrees to the following:

1. Default Remedies of Lender. If Borrower defaults on the Obligation, or this Assignment, Lender shall be authorized at its option to enter and take possession of all or part of the Property, to perform all acts necessary for the operation and maintenance of the Property, and to perform the obligations of Borrower under the Leasehold Estate Sublease Agreement in the same manner and to the same extent that Borrower might reasonably so act.

2. Termination of Assignment. When Borrower pays Lender for the full amount of the indebtedness due under the Note and otherwise fully satisfies the Obligation and such payment is evidenced by a recorded satisfaction and/or release of the Deed of Trust and Security Agreement of the same date as this Assignment securing the Note (hereinafter the "Trust Deed"), this Assignment shall no longer be of any effect and shall be void, and Lender shall execute such instruments as may be reasonably required to evidence the termination of this Assignment.

3. Notice of Landlord of Borrower's Default. Borrower shall irrevocably authorize Sublessor, upon demand and notice from Lender of Borrower's default under the Obligation, to accept from Lender performance of Borrower's obligations under the Lease. In such situation, Lender shall not be liable to Sublessor for the determination of the actual existence of any default claimed by Lender. Sublessor shall have the right to rely upon any such notices from Lender, without any obligation or right to inquire as to the actual existence of the default, notwithstanding any claim of Borrower to the contrary. Upon the curing of all defaults caused by Borrower under the Obligation, Trust Deed, or Assignment, Lender shall give Sublessor written notice of such cure.

4. Assignment of Borrower's Interest in Leasehold Estate Sublease Agreement. Lender shall have the right to assign Lender's rights hereunder to any subsequent holder of the Note and to any person acquiring title to the Property through foreclosure or otherwise.

5. Delivery of Necessary Instruments to Lender. Borrower shall execute and

deliver to Lender all further instruments as Lender may deem necessary to make this Assignment and any further assignment of the Leasehold Estate Sublease Agreement effective.

6. Leasehold Estate Guaranties; Assignment of Leasehold Estate Sublease Agreement; Alterations of Premises. Borrower shall not alter, modify, cancel or terminate any guaranties of the Leasehold Estate Sublease Agreement without the written consent of Lender. Borrower shall not consent to any Leasehold Estate Sublease Agreement assignment or subletting of the Leasehold Estate, nor agree to a subordination of the Leasehold Estate to any mortgage or other encumbrance, other than that of Lender's, now or hereafter affecting the Property without Lender's prior written consent. Borrower shall not permit a material alteration of or addition to the Property without Lender's prior written consent. Borrower shall not execute any other assignment of the Leasehold Estate Sublease Agreement, of any interest therein, or of any rents payable thereunder.

7. Borrower to Ensure Continued Performance Under Leasehold Estate Sublease Agreement. Borrower shall perform all of its covenants as Owner under the Leasehold Estate Sublease Agreement, including the obligation to pay rent to Sublessor. Borrower shall promptly deliver to Lender copies of all notices of default Borrower has received or may hereafter receive from Sublessor.

8. Changes in Obligation Terms. Notwithstanding any variation of the terms of the Obligation and/or the Trust Deed including any increase or decrease in the principal amount thereof or in the rate of interest payable thereunder or any extension of time for payment thereunder or any release of part or parts of the Property subject to the Trust Deed, the Leasehold Estate Sublease Agreement and the benefits hereby assigned shall continue as additional security in accordance with the terms of this Assignment.

9. Additions to and Replacement of Obligation. Lender may take security in addition to the security already given Lender for the payment of the principal and interest provided to be paid in or by the Obligation or by the Trust Deed, or release such other security, and may release any party primarily or secondarily liable on the Obligation, may grant or make extensions, renewals, modifications, or indulgences with respect to the Obligation or the Trust Deed and replacements thereof, which replacement of the Obligation or Trust Deed may be on the same or on terms different from the present terms of the Obligation or Trust Deed, and may apply any other security thereof held by it to the satisfaction of the Obligation, without prejudice to any of its rights hereunder.

10. Exercise of Lender's Rights. Lender's failure to avail itself of any of its rights under this Assignment for any period of time, or at any time or times, shall not constitute a waiver thereof. Lender's rights and remedies hereunder are cumulative, and not in lieu

of, but in addition to, any other rights and remedies Lender has under the Obligation and the Trust Deed. Lender's rights and remedies hereunder may be exercised as often as Lender deems expedient.

11. Amendment, Modification, or Cancellation of Assignment. No amendment, modification, cancellation, or discharge hereof, or of any part hereof, shall be enforceable without Lender's prior written consent.

12. Notices. All notices given or served pursuant to the terms hereof shall be effective upon deposit of the same in the United States mail, by registered or certified mail, postage prepaid, addressed to:

Borrower

John P. Marsalis  
112 High Street  
Cranford, NJ 07016

Lender

NEVADA STATE BANK  
CLSD-3800  
P.O. Box 990  
Las Vegas, Nevada 89125-0990

or such other address as either part may request by written notice.

13. Binding Effect. All agreements herein shall inure to the benefit of, and bind the respective heirs, executors, administrators, successors, and assigns of Borrower and Lender.

14. Governing Law. This Assignment shall be governed exclusively by and construed in accordance with the applicable laws of the State of Nevada.

15. Jurisdiction of Nevada Courts. Borrower acknowledges that by execution and delivery of this Assignment, Borrower has transacted business in the State of Nevada and Borrower hereby voluntarily submits to, consents to, and waives any defense to the jurisdiction of courts located in the State of Nevada as to all matters relating to or arising from this Assignment.

16. Attorney's Fees. In the event Lender institutes legal action against Borrower with respect to this Assignment, Lender shall be entitled to an award of reasonable attorneys' fees from the Borrower. Lender shall also be entitled to collect all reasonable attorneys' fees and costs incurred with respect to any insolvency or bankruptcy action or proceeding involving Borrower.

DATED: March 13, 2001

ASSIGNOR

**Borrower:**

John P. Marsalis  
John P. Marsalis

ASSIGNEE:

**Lender:**

NEVADA STATE BANK

By: Nancy A. Elliott  
Nancy A. Elliott, Vice President/Small  
Business Loan Officer

STATE OF NEVADA )  
 ) : ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 13 day of March, 2001, by John P. Marsalis who acknowledged that he executed the above instrument.

Mary H. Kelsh  
NOTARY PUBLIC



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My Commission Expires

11-5-02

Residing At:

Minden, Nevada

The Undersigned hereby acknowledges the terms and conditions of the foregoing assignment and agrees to be bound thereby.

COUNTY OF DOUGLAS, STATE OF NEVADA

By: James T. Braswell  
James T. Braswell, Operational Services Director

018-0059

STATE OF NEVADA )  
COUNTY OF Douglas ) SS.

This instrument was acknowledged before me on March 14, 2001,  
199  , by JAMES T. Braswell



Lori Mae Silva  
Notary Public

LEGAL DESCRIPTION

Order No.: 000800636A

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

PARCEL 1:

That portion of Section 8, Township 13 North, Range 20 East, M.D.B.&M., located in the County of Douglas, State of Nevada, described as follows:

Suite 402, Building D, as set forth on that certain Record of Survey of Leasehold Common-Interest Community for Mustang Business Center, recorded on the 8TH day of January, 2001 in Book 0101 of Official Records, at Page 1432, as Document No. 506507, of the Official Records of Douglas County, Nevada, and being further identified, defined and set forth by those certain Covenants, Conditions and Restrictions for Mustang Business Center, dated the 4TH day of May, 2000, recorded on May 19, 2000 in Book 0500, Page 4099, as Document No. 0492245 of the Official Records of Douglas County, Nevada; said Covenants, Conditions and Restrictions having been amended by Document entitled First Amended Declaration of Covenants, Conditions and Restrictions for Mustang Business Center, A Commercial Leasehold Common-Interest Development, dated the 5th day of February, 2001, recorded on the 16th day of February, 2001, in Book 0201, Page 3285, as Document 508892, of the Official Records of Douglas County, Nevada.

A PORTION OF ASSESSOR'S PARCEL NO. 1320-08-002-004

PARCEL 2:

Access to the premises at all times and a non-exclusive right to use all common areas, the apron and other areas between premises, taxiways and runway, as more fully set forth in the Airport Lease Agreement by and between the County of Douglas, by the Douglas County Board of Commissioners and Monolith Enterprises, In., as Lessee, recorded December 8, 1998, in Book 1298, Page 2177, as Document No. 456093 and amended by Documents recorded May 27, 1999, December 20, 1999 and May 10, 2000, as Document No.'s 469041, 483035 and 491730, Official Records of Douglas County, Nevada.



**STEWART TITLE**  
Guaranty Company

0510546  
BK0301PG4094

COPY

REQUESTED BY

**STEWART TITLE of DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2001 MAR 16 AM 11:32

LINDA SLATER  
RECORDER

\$14<sup>00</sup> PAID *KY* DEPUTY

0510546

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