

REQUESTED BY  
**Stewart Title of Douglas County**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2004 JAN 23 AM 11:39

WERNER CHRISTEN  
RECORDER

\$16<sup>00</sup> PAID *KJ* DEPUTY

APN 1220-04-601-012

Recording Requested By:

**Stewart Title of Douglas County**

1650 N. Lucerne, Ste. 101

Minden, NV 89423

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SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT  
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.  
(Additional recording fee applies)

This cover page must be typed.

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COLONIAL BANK, N.A.

SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT

STATE OF Nevada
COUNTY OF

THIS AGREEMENT, made and entered into by and between Colonial Bank, N.A., (hereinafter referred to as "Lender"); Katdan, LLC, a Nevada Limited Liability Co., and Kathy Martin, dba Shear Heaven ("Tenant") on this day of

RECITALS:

WHEREAS, Landlord and Tenant have entered into that certain Lease Agreement dated May-9-02, as amended by lease amendments dated May 9-03 (hereinafter referred to as the "Lease"), with respect to approximately 6632 square feet of space in that certain building known as the Park Place at Lampe Corners building having the address of 1328 N. Hwy. 395 #301, Gardnerville, NV 89410 (hereinafter referred to as the "Demised Premises"); said premises being more particularly described in the Lease, a copy of which is attached hereto as Exhibit A and made a part hereof by reference; and

WHEREAS, Lender has requested Landlord to make to Landlord a loan to be secured by a first mortgage covering the real property upon which the Demised Premises are located ("Real Property") and an assignment of all leases relating thereto, and Lender is unwilling to do so without a subordination and attornment agreement from Tenant, and

WHEREAS, Tenant is agreeable to executing a subordination and attornment agreement in favor of Lender in return for a nondisturbance agreement by Lender;

NOW, THEREFORE, be it known that for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

- 1. The Lease, and any extensions, renewals, replacements or modifications thereof, and any and all of the right, title and interest of the Tenant in and to said Demised Premises are and shall be subject and subordinate in all respects to the terms and conditions of any and all mortgages, assignments or other loan documentation evidencing and securing the loan from Lender to Landlord (hereinafter collectively referred to as "Loan Documents") and any and all renewals, replacements, consolidation, modifications or extensions thereof.
2. Tenant shall give prompt, written notice to Lender at the address stated below of all defaults by Landlord of those obligations under the Lease which are of such a nature as to give Tenant a right to terminate the Lease, to reduce rent, or to credit or offset any amounts against future rents, and Lender shall have thirty days from the receipt of said notice to cure said default, however, Lender shall not be required to cure the same.
3. Lender consents to the Lease and, in the event of foreclosure of any of the Loan Documentation, or in the event Lender comes into actual possession or acquires title to the Real Property as a result of any other means, Lender agrees that, so long as Tenant is not in default in the payment of rent, additional rent, or any other charges, conditions or obligations of Tenant under the Lease, Tenant shall not be disturbed in its possession, enjoyment, use and occupancy of the Demised Premises during the original or any renewal term of the Lease or any extension or modification thereof.
4. Should Lender exercise a right arising under the Loan Documentation, other than foreclosure and possession of the property upon which the Demised Premises are located, to receive the rents payable by Tenant under the Lease, Lender shall not thereby become obligated to Tenant for the performance of any of the terms, covenants, conditions and agreements of Landlord under the Lease. Landlord and Tenant agree that Tenant shall make the payments to be made by Tenant under the Lease to Lender upon receipt of written notice of the exercise of such right, and Tenant agrees not to prepay any sums payable by Tenant under the Lease. Such receipt of rental by the Lender shall not relieve Landlord of its obligations under the Lease, and Tenant shall continue to look to Landlord only for performance thereof. Further, Landlord agrees that Tenant shall pay such rental to Lender upon notice from Lender and shall not be required to question the validity of Lender's notice or the existence of Landlord's default under the loan.
5. Tenant agrees that, if the interest of Landlord shall be transferred to and owned by Lender or any other person by reason of foreclosure or other proceedings brought by it to acquire possession of the Real Property, Tenant shall be bound to Lender or such third person under all of the terms, covenants and conditions of the Lease for the remainder of the term thereof and any extensions or renewals thereof which may be effected in accordance with any option therefor contained in the Lease, with the same force and effect as if Lender were the Landlord under the Lease, and Tenant does hereby attorn to Lender as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Lender's succeeding to the interest of Landlord in the Real Property. Tenant agrees, however, upon the election of a written demand by Lender, within sixty days after the Lender receives title to the Real Property, to execute an instrument in confirmation of the foregoing provisions, satisfactory to Lender, in which Tenant shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy. Further, Tenant hereby agrees that Lender shall not be responsible or liable in any way for any default under the Lease occurring prior to the time Lender obtains title to the Real Property and is entitled to actual, unrestricted possession of the premises.

In addition to and not in lieu of all of the provisions of this Agreement, Tenant agrees with Lender that Lender shall not in any way or to any extent be:

- (a) liable for any act or omission of Landlord; or
(b) subject to any offsets or defenses which Tenant might have against Landlord, excepting those which arose out of such Landlord's default under the Lease and occurring after Tenant has notified Lender and given Lender an opportunity to cure as provided herein; or
(c) bound by any rent or additional rent which Tenant might have paid for more than the current month to the Landlord; or
(d) bound by any security deposit which Tenant may have paid to Landlord, unless such deposit is in an escrow fund available to Lender; or
(e) bound by any amendment, modification, or termination of the Lease made without Lender's written consent.

6. All notices, demands, or requests, and responses thereto, required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or served and shall be effective upon being deposited in the United States mail, postage prepaid and registered or certified with return receipt requested.

Any such notice if given to Landlord shall be addressed as follows:

Landlord: KATDAN LLC, D. O'NEAL 1633, GARDNERVILLE NV, 89410

If given to Lender shall be addressed as follows:

Colonial Bank, N.A.

and if given to Tenant shall be addressed as follows:

Tenant: \_\_\_\_\_

or at such other address in the United States as Landlord, Lender or Tenant may by notice in writing designate for notice.

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7. This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, successors and assigns.  
 8. This Agreement shall not be modified or amended except in writing signed by all of the parties hereto.  
 9. The use of the neuter, feminine or masculine gender in this agreement shall be deemed to mean the neuter, feminine or masculine gender as the context so requires, and words in the singular shall be held to include the plural, when the context so requires.  
 IN WITNESS WHEREOF, the parties hereto have placed their hands and seals as of the day and year first above written.

LANDLORD: **Katdan, LLC**  
 By: *Daniel J. Martin*  
 Daniel J. Martin, Manager  
 Its: *Kathleen W. Martin*  
 Kathleen W. Martin, Manager

TENANT:  
 By: *Kathy Martin*  
 Kathy Martin, dba Shear Heaven  
 Its: \_\_\_\_\_

LENDER:  
 Colonial Bank, N.A.  
 By: *Craig Schor*  
 Its: *Craig B. Schor*  
 Craig B. Schor, President

STATE OF *Nevada*  
 COUNTY OF *Douglas*

This instrument was acknowledged before me on this *18th* day of *November 2003* by *Daniel J. Martin* and *Kathleen W. Martin AKA Kathy Martin*

*[Signature]*  
 NOTARY PUBLIC

STATE OF *Nevada*  
 COUNTY OF *Douglas*

This instrument was acknowledged before me on this *21st* day of *January* by *Craig B. Schor*

*[Signature]*  
 NOTARY PUBLIC

L. McKAY  
 Notary Public - State of Nevada  
 Appointment Recorded in Douglas County  
 No: 99-36380-5 - Expires June 10, 2007

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