

APN: 1320-08-410-043  
Escrow No.: 143-2583782

DOUGLAS COUNTY, NV	<b>2020-949922</b>
Rec:\$40.00	
\$40.00 Pgs=10	07/29/2020 01:09 PM
FIRST AMERICAN TITLE MINDEN	
KAREN ELLISON, RECORDER	

The undersigned hereby affirms that this document, including any exhibits, hereby submitted for recording DOES NOT contain the social security number of a person or persons as required by law.

**WHEN RECORDED RETURN TO:**  
Nevada State Development Corp.  
6572 S. McCarran Blvd.  
Reno, Nevada 89509-6112

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Space Above This Line for Recorder's Use Only

SBA Loan No. 34958170-06

**ASSIGNMENT OF LEASES AND RENTS**  
**WITH SUBORDINATION OF LEASE**

THIS ASSIGNMENT OF LEASES AND RENTS WITH SUBORDINATION OF LEASE (as the same be amended, modified or supplemented from time to time, the "**Assignment**"), dated **July 9, 2020**, is made by PARK PLACE VENTURE GROUP, LLC, a Nevada limited liability company ("**Borrower**" or "**Assignor**") and STANGENES INDUSTRIES, INC., a California corporation ("**Operating Company**"), in favor of NEVADA STATE DEVELOPMENT CORPORATION, a Nevada non-profit corporation ("**Assignee**" or "**CDC**"), for further assignment by Assignee to the U.S. SMALL BUSINESS ADMINISTRATION, an Agency of the United States ("**SBA**"), and provides:

A. CDC has agreed to make a loan to Borrower in the principal amount of **\$1,218,000.00** ("**Loan**") to provide financing for the purchase of the real property described in **Exhibit A** attached hereto and, by reference, made a part hereof, and the improvements thereon situated in **Washoe County**, Nevada (collectively, "**Premises**"). The Loan is evidenced by a promissory note of even date herewith (as the same may be amended, modified or supplemented from time to time, "**Note**"), made by Borrower and payable to CDC in the principal amount of the Loan. The Note is secured in part, by a deed of trust of even date herewith (as the same may be amended, modified or supplemented from time to time, "**Deed of Trust**") from Borrower to FIRST AMERICAN TITLE INSURANCE COMPANY, as Trustee. Terms defined in the Note and the Deed of Trust shall have the same defined meanings when used in this Assignment.

B. As a condition to making the Loan, the CDC has required an assignment to the CDC and any subsequent holder of the Note, of any and all leases (including without limitation, that Lease between Borrower (as Landlord) and Operating Company (as Tenant) for the Premises, dated **February 21, 2019** (collectively, "**Leases**")), of or relating to Assignor's interest in the Premises or any part thereof, now or hereafter existing, and all rents, issues and profits ("**Rents**")

now or hereafter arising from Assignor's interest in the Premises or any part thereof, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the agreement of CDC to make the Loan and as additional security for the payment of the Note, the parties hereto agree as follows:

1. Assignment of Leases and Rents. Assignor hereby assigns, transfers and sets over to CDC, and any subsequent holder of the Note, all Assignor's right, title and interest in and to all Leases and all renewals or extensions thereof, together with all the Rents, now existing or hereafter arising. Prior to the election of CDC to collect the Rents upon the occurrence of an event of default under the Deed of Trust, Assignor shall have the right to collect and dispose of the Rents without restriction.

2. Delivery of the Leases. All Leases currently in effect with respect to the Premises have been delivered to CDC, are in full force and effect as of the date of this Assignment and neither Assignor nor any tenant is in default thereunder. Assignor shall not make any subsequent agreement for the Leases of the Premises or any part thereof except in the ordinary course of business in accordance with the provisions of the Deed of Trust. All such subsequent Leases shall be subject to the prior written approval of CDC, which approval shall not be unreasonable withheld, in accordance with the provisions of the Deed of Trust.

3. No Modifications of the Leases. Without the prior written consent of CDC, which consent shall not be unreasonable withheld, Assignor shall not:

- a. Cancel, terminate or accept any surrender of the Leases;
- b. Accept any prepayments for more than thirty (30) days of installments of rent under any of the Leases;
- c. Modify or abridge any of the terms, covenants and conditions of any of the Leases so as to reduce the terms thereof or the rental payments thereunder; or
- d. Change any renewal privileges contained in any of the Leases.

4. Representations and Warranties. Assignor represents and warrants that:

Except for the assignment made by Assignor to **BANK OF THE WEST**, the first trust lender, Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due;

The Rents now due or to become due for any periods subsequent to the date hereof have not been collected and payment thereof has not been anticipated for a period of more than one (1) month in advance, waived or released, discounted, set off or otherwise discharged or compromised except as set forth in the Leases;

It has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued income other than the security deposits provided for in the Leases;

It has not received any bona fide and acceptable offer to purchase the Premises or any part thereof which would in any way affect any right or option of first refusal to purchase all or any portion of the Premises now contained in any of the Leases; and

It has not done anything which might prevent CDC from or limit CDC in operating under or enforcing any of the provisions hereof.

Assignor shall act in good faith to enforce or secure the performance of each and every obligation, covenant, condition and agreement to be performed by any and all tenants under all the Leases.

5. Remedies upon Default. Immediately upon the occurrence of an event of default under the Deed of Trust and the expiration of any applicable cure period, CDC is hereby expressly and irrevocably authorized to enter and take possession of the Premises by actual physical possession, or by written notice served personally upon, or sent by registered or certified mail, postage prepaid, to Assignor, as CDC may elect, and no further authorization shall be required. Following any such entry and taking of possession, CDC may:

- a. Manage and operate the Premises or any part thereof;
- b. Lease any part or parts of the Premises for such period of time, and upon such terms and conditions as CDC may, in its discretion, deem proper;
- c. Enforce any of the Leases;
- d. Demand, collect, sue for, attach, levy, recover, receive, compromise and adjust, and make, execute and deliver receipts and releases for all Rents that may then or may thereafter become due, owing or payable with respect to the Premises, or any part thereof, from any present or future lessees, tenants, subtenants, or occupants thereof;
- e. Institute, prosecute to completion or compromise and settle, all summary proceedings and actions for rent or for removing any and all lessees, tenants, subtenants or occupants of the Premises or any part or parts thereof;
- f. Enforce or enjoin or restrain the violation of any of the terms, provisions and conditions of any of the Leases;
- g. Make such repairs and alterations to the Premises as CDC may, in its discretion, deem proper;
- h. Pay from and out of the Rents collected or from or out of any other funds, the insurance premiums and any other taxes, assessments, water rates, sewer rates or other governmental charges levied, assessed or imposed against the Premises or any portion

thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable for CDC to pay in the management or operation of the Premises, including (without limiting the generality of any rights, powers, privileges and authorities conferred in this Assignment) the costs of such repairs and alterations, compensations for renting the Premises, or any portions thereof, and legal expenses in enforcing claims, preparing papers or for any other services that may be required;

i. Generally, do, execute and perform any other act, deed, matter or thing whatsoever that ought to be done, executed and performed in and about or with respect to the Premises as fully as Assignor might do; and

j. Exercise any other rights or remedies of CDC under applicable law.

6. Disposition of Rents upon Default. Assignor hereby irrevocable directs the tenants under the Leases upon demand and notice from CDC of any event of default, to pay to CDC all Rents accruing or due under the Leases from and after the receipt of such demand and notice. Such tenants in making such payments to CDC shall be under no obligation to inquire into or determine the actual existence of any such event of default claimed by CDC.

8. Subordination. Operating Company agrees, warrants and covenants that the Leases, and their respective interests 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 CDC or SBA, and their respective successors and assigns, and to any renewals, modification, or extensions of said Deed of Trust. By reason of such subordination, if the interest of lessor or landlord identified in the Leases shall be acquired by CDC or SBA or by any other person 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, Operating Company agrees and acknowledges that the Leases may be terminated regardless of the term thereof.

9. Indemnification. Assignor hereby agrees to indemnify and hold CDC harmless from and against any and all liabilities, losses, damages and expenses, including reasonable attorney's fees, which it may incur under any of the Leases, or by reason of this Assignment or by reason of any action taken by CDC or Assignor hereunder, and from any and against any and all claims and demands whatsoever which may be asserted against CDC by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in any of the Leases. Should CDC incur any such liabilities, losses, damages or expenses, the amount thereof, together with interest thereon at the rate set forth in the Note, shall be payable by Assignor to CDC immediately upon demand therefor, or at the option of CDC, CDC may reimburse itself therefor out of any Rents collected by CDC. Nothing contained herein shall operate or be construed to obligate CDC to perform any of the terms, covenants and conditions contained in any of the Leases or otherwise to impose any obligation upon CDC with respect to any of the Leases. This Assignment shall not operate to place upon CDC any responsibility for the operation, control, care, management or repair of the Premises, and the execution of this Assignment by Assignor shall constitute conclusive evidence that all

responsibility for the operation, control, care, management and repair of the Premises is and shall be that of Assignor.

10. Further Assurances. Assignor agrees to execute and deliver to CDC, at any time or times during which this Assignment shall be in effect, such further instruments as CDC may deem necessary to make effective or more effective this Assignment and the covenants of Assignor herein contained.

11. No Waiver. Failure of CDC to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time, or any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of CDC under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which CDC shall have under or by virtue of any of the Loan Documents. The rights and remedies of CDC hereunder may be exercised from time to time and as often as such exercise is deemed expedient.

12. Assignment of CDC's Rights. Any holder of the secured indebtedness shall have the right to assign to any subsequent holder of the secured indebtedness, the right, title and interest of Assignor hereby assigned, subject, however, to the provisions of this Assignment. In the event all the right, title and interest of Assignor in the Premises are barred or foreclosed, no assignee of the interest of Assignor shall be liable to account to Assignor for any Rents thereafter accruing.

13. Release. Upon payment in full of the secured indebtedness, as evidenced by a recorded satisfaction or release of the Deed of Trust, as well as any sums which may be payable hereunder, this Assignment shall become and be void and of no effect

14. Amendments and Discharge. No change, amendment, modification, cancellation or discharge of this Assignment, or any part hereof, shall be valid unless CDC shall have consented thereto in writing.

15. Successors and Assigns. The terms, covenants, and conditions contained herein shall inure to the benefit of, and bind Assignor, CDC and their successors and assigns.

16. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Nevada without reference to conflict of law principles, except that federal law shall govern when SBA is the holder of the Note as more fully set forth below.

The Loan secured by this Assignment was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

a. When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.

b. CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, or other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

17. Severability. If any provision of this Assignment, or the application hereof to any person, entity or circumstance, shall to any extent be invalid or unenforceable, the remainder of the provisions of this Assignment, or the application of such provision to other persons, entities or circumstances shall not be affected thereby, and each provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

[Signatures and acknowledgments appear on following pages]



IN WITNESS WHEREOF, the undersigned have executed this Assignment of Leases and Rents with Subordination of Lease as of the date first above written.

DATED: July 9, 2020.

**BORROWER:**

PARK PLACE VENTURE GROUP, LLC, a Nevada limited liability company

By: Jay Runge  
Name: Jay Runge  
Title: Manager

**OPERATING COMPANY:**

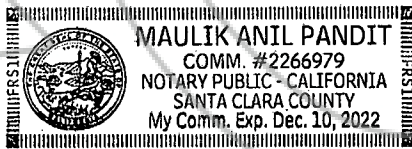
STANGENES INDUSTRIES, INC., a California corporation

By: Magne Stangenes  
Name: Magne Stangenes  
Title: President

By: Jay Runge  
Name: Jay Runge  
Title: Secretary

STATE OF CA )  
  ) ss.  
COUNTY OF SANTA CLARA

This instrument was acknowledged before me on July 14, 2020, by Jay Runge, as Manager of PARK PLACE VENTURE GROUP, LLC, a Nevada limited liability company.



Mandit  
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)  
) ss.  
COUNTY OF Santa Clara

This instrument was acknowledged before me on July 15<sup>th</sup>, 2020, by Magne Stangenes, as President of STANGENES INDUSTRIES, INC., a California corporation.

H. Vyas



STATE OF CA)  
) ss.  
COUNTY OF SANTA CLARA

This instrument was acknowledged before me on July 14,, 2020, by Jay Runge, as Secretary of STANGENES INDUSTRIES, INC., a California corporation.

Mandit





**ASSIGNMENT TO SBA:**

CDC does hereby sell, assign and transfer unto SBA, all of its right, title and interest in this Assignment of Leases and Rents with Subordination of Lease.

NEVADA STATE DEVELOPMENT CORPORATION,  
a Nevada non-profit corporation

By Karen Szachara  
Name: Karen Szachara  
Its: Executive Vice President

STATE OF NEVADA        )  
                                  ) ss.  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on July 17, 2020, by Karen Szachara, as Executive Vice President of NEVADA STATE DEVELOPMENT CORPORATION.



Stephanie Morris  
Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION**

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

A PARCEL OF LAND LYING WITHIN A PORTION OF THE SOUTHWEST ONE-QUARTER (SW1/4) OF SECTION 8, TOWNSHIP 13 NORTH, RANGE 20 EAST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF AIRPORT ROAD AS SHOWN ON THE RECORD OF SURVEY MAP #8 FOR MERIDIAN BUSINESS PARK FILED FOR RECORD DECEMBER 21, 1994 IN THE OFFICE OF RECORDER, COUNTY OF DOUGLAS AS DOCUMENT NO: 352986;

THENCE SOUTH 00°00'01" EAST, 840.46 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 00°00'01" EAST, 39.99 FEET;

THENCE NORTH 89°51'23" EAST, 39.08 FEET;

THENCE SOUTH 00°01'48" EAST, 221.06 FEET;

THENCE SOUTH 89°58'12" WEST, 306.30 FEET;

THENCE NORTH 62°33'13" WEST, 204.31 FEET TO A POINT ON THE EASTERLY LINE OF PARK PLACE;

THENCE ALONG SAID EASTERLY LINE OF PARK PLACE, ALONG THE ARC OF A CURVE TO THE LEFT, NON-TANGENT TO THE PRECEDING COURSE HAVING A RADIUS OF 445.85 FEET, CENTRAL ANGLE OF 25°42'07", ARC LENGTH OF 200.00 FEET, AND CHORD BEARING AND DISTANCE OF NORTH 33°23'37" EAST, 198.33 FEET;

THENCE NORTH 89°46'14" EAST, 339.26 FEET TO THE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL 1 AS SHOWN ON RECORD OF SURVEY MAP # 2018-923565 IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 13, 2018 AS INSTRUMENT NO. 2018-923564 OF OFFICIAL RECORDS DOUGLAS COUNTY, NEVADA.