

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

2004 JAN 23 AM 11:38

WERNER CHRISTEN
RECORDER

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APN 1220-04-601-012

Recording Requested By:

Stewart Title of Douglas County

1650 N. Lucerne, Ste. 101

Minden, NV 89423

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, ATTORNMEN AND NON-DISTURCANCE 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 (Landlord), and
Staria Doughty, a dba The Book Den
(Tenant) on this day of

RECITALS:

WHEREAS, Landlord and Tenant have entered into that certain Lease Agreement dated MAY 28 03, as amended by lease
amendments dated 8-28-03 (hereinafter referred to as the "Lease"), with respect to approximately 1506
square feet of space in that certain building known as the PARK PLACE AT LAMPE CORNER'S building
having the address of 1328 N. Hwy. 395 #305, 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, Landlord has requested Lender 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 on 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, consolidations, 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
PO Box 1633
GARDNERVILLE NV 89410

and if given to Tenant shall be addressed as follows:
Tenant:

If given to Lender shall be addressed as follows:
Colonial Bank, N.A.

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: _____
Staria Doughty, dba The Book Den
 Its: _____

LENDER:
 Colonial Bank, A.
 By: *Crossman*
Trustee
 Its: *Trishie Hill, 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

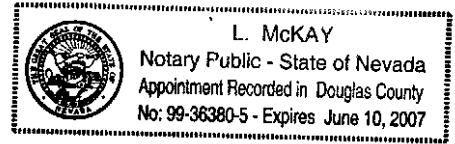
L. Hendrick
 NOTARY PUBLIC



STATE OF Nevada
 COUNTY OF Douglas

This instrument was acknowledged before me on this 21st day of January, by L. Craig B. Schmitt

L. McKay
 NOTARY PUBLIC



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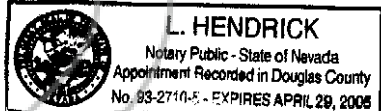
7. This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, successors and assigns.
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IN WITNESS WHEREOF, the parties hereto have placed their hands and seals as of the day and year first above written.

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

TENANT: Starla Doughty
By: Starla Doughty, dba The Book Den
Its: _____

LENDER:
Colonial Bank, N.A.
By: _____
Its: _____

STATE OF Nevada
COUNTY OF Douglas



This instrument was acknowledged before me on this 20th day of November, 2003 by Starla Doughty

L. Hendrick
NOTARY PUBLIC

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